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Soviet Union

Republic Affairs

The United States Government has not recognized the incorporation of Estonia, Latvia, Lithuania into the Soviet Union. Other boundary representation not necessarily authoritative.

FBIS Report: Republic Affairs

FBIS-USR-91-010

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Kravchuk on Treaty Discussions

91UN1877A Kiev KOMSOMOLSKOYE ZNAMYA
in Russian 11 Jun 91 pp 1-2

[Report on L.M. Kravchuk speech: "L. Kravchuk: 'Work on the Draft Union Treaty Continues'"]

[Text] A meeting of the Preparatory Committee for Elaboration of a Draft Union Treaty, in which L.M. Kravchuk, chairman of the Ukrainian SSR Supreme Soviet took part, was held on 3 June. On 4 June, he presented a plenary meeting of the Ukrainian SSR Supreme Soviet with the pertinent information. We publish an account of this speech.

I would recall that there have been two meetings of the Preparatory Committee created for work on a draft Union treaty. It is composed of the chairmen of the supreme soviets and presidents of the republics. Its mission is to complete the second version of the draft treaty, which has been published in the press, and, following concordance of the text, submit it for discussion by the republic supreme soviets.

I would emphasize, not adoption, not confirmation but concordance. This is of fundamental significance. The Preparatory Committee is merely harmonizing the text in order that it conform more or less to the positions of all republics. Particular attention is being paid to questions causing fundamental disagreements.

The very concept of the draft treaty is set forth in the published draft, but I would like to say that very many fundamental revisions are being made to it.

What was, in particular, my approach, as a member of the Preparatory Committee? I proceeded primarily from the fact that all our actions today are actions opening the way to a new life.

Second, account has to be taken when complex questions of the present day are being decided on the realities, complexities, economic and social crisis and stereotypes which exist in our life and which are a continuation, as it were, of the life which we had earlier.

Of course, we are faced with two most important problems—a current problem bringing about the need for the solution of complex questions. And the people expect this of us. People's deputies have been speaking of this as soon as they get near a microphone. The second consists of questions of our future and a forecast thereof.

We also have to proceed from the fact that both the referendum and a poll conducted in the Ukraine confirmed the people's wish to live in a union, but to live in a union of sovereign states. Over 80 percent of the population which participated in the ballot voted for this. This is for us the basis for work in this area. It is the will of the people, by which we must abide.

There arose at the meeting of the committee the question of what to call the treaty on the new formation of states:

simply Union Treaty, Treaty on the Union of Soviet Socialist Republics, Treaty on the Union of Soviet Sovereign Republics or Treaty on the Union of Sovereign States.

There were, thus, various viewpoints. We agreed to call it Treaty on the Union of Sovereign States. The final say on this matter rests with the republic supreme soviets.

Concerning the name of the new union. We agreed to call it the Union of Soviet Sovereign Republics—USSR. That is, in the present name the word "socialist" is changed to "sovereign." There were disagreements here also. It was proposed putting this question to a referendum even.

The Preparatory Committee meeting also discussed whether to record in the treaty, as a legal document, ideological-political questions concerning, say, the socialist choice or socialist focus of society's development. The vast majority agreed that this should not be mentioned in the treaty. The treaty should record merely legal points.

Each article of the draft worked up by the working group since the first meeting was discussed at yesterday's meeting.

I shall dwell on the main questions to be solved. Article 1 of the draft speaks of the right of each republic and democratic state to join the Union of Sovereign States. But the draft says nothing about a mechanism of withdrawal from the Union. In accordance with my proposal, this question was discussed, and approaches to its solution in principle were determined as a result.

A question concerning the authority which could be delegated to the union was raised at the committee meeting. The published draft had formulated provisions to the effect that the union would exercise such-and-such authority in conjunction with the republics. The new version of the article proposed by some members of the committee spoke of the common exercise of authority by organs of state power and administration of the union and republics. I am of the opinion, and wished to persuade those present at the meeting of this, that it is essential to clearly determine the spheres of common jurisdiction of the republics within the union. And only then the specific authority in these spheres of both the union and the republics inasmuch as there will be identical spheres of jurisdiction both in the Union and in the republics. And it will then be possible via the authority to delineate who will deal specifically with what in this sphere of common jurisdiction or the other.

Concerning, however, title to facilities of state ownership necessary for the union's exercise of its authority, this title is not transferred to it. It is reserved to the republics.

Thus the draft records that the land, its interior, waters, other natural resources and flora and fauna belong to the

people residing on the corresponding territory. The procedure of the possession, use and disposal thereof (title) is established by legislation of the republic.

And, further, the states creating the union transfer to its use facilities of state ownership for exercise of the authority entrusted to the union organs of power and administration.

There were, per the text of the draft, many provisions concerning conciliatory procedures, special procedures and so forth. But under such conditions there could be a considerable complication of the solution of questions because there are here many uncertainties and a lack of mechanisms of their realization. We agreed that we should get rid of the general provisions concerning a variety of conciliatory procedures and have wording of precise content. And not only on this issue. The transfer of authority or the delegation thereof, for example. Delegation, undoubtedly, inasmuch as the republics' sovereign rights are their inalienable rights objectively inherent in them as states. And for this reason they may not be taken away from them by way of transfer. Under these conditions the republic is not deprived of its state sovereignty and does not limit it.

The question concerning taxes and dues was complex. I adhere to the position of a single-channel system of the financing of the requirements of the union. The representatives of the Russian Federation support a similar viewpoint. So, just two republics. All the others advocate a multichannel system.

I would emphasize that the right to decide this question rests with the union republic supreme soviets.

The problem concerning the union constitution is exceptionally important also.

The draft treaty records that the first constitution of the Union of Soviet Sovereign Republics will be adopted by the Congress of People's Deputies of the Union of Soviet Socialist Republics.

Representatives of the Ukraine, Uzbekistan, and Kazakhstan opposed this. First, given such conditions, the sovereign states associated in the new union would be deprived of the right to participate in the elaboration and adoption of the constitution of this new formation of states.

Second, the Preparatory Committee is working on a draft union treaty, which is to be the basis of the new constitution. But the treaty they draw up, if adopted, is to be handed over to the Congress of People's Deputies of the USSR, another body of people, for the preparation on the basis thereof of a draft constitution of the Union of Sovereign States. There is no logic to this.

Third, following the formation of the new union, the current union structures are to be reformed also. Such is the position of the Preparatory Committee. I emphasize, not decision but position....

The question thus arises: Can the old, legally nonexistent structure adopt a new constitution for the new structure? There have in world practice been situations where former structures have continued to function in the transitional period. But they have not adopted decisions on fundamental questions of the activity of the new structure. Laws even less. They have been able in this time to exercise the essential executive functions. But creating that which is new is the right of the newly formed authorities. We agreed with this viewpoint.

Other proposals were submitted also: for the adoption of the constitution of the union at a congress of authorized representatives of the republics or at a congress of representatives of their soviets. And for it to be put to a public referendum or ballot. As regards, however, reflection of this question in the text of the draft, it was removed. There remains the provision to the effect that the treaty is the basis of the union constitution.

The provision of the draft concerning the Union Supreme Soviet was a subject of keen debate. The draft recorded the fact that the Supreme Soviet consists of two chambers: a Council of Nationalities and a Council of the Union. The Council of Nationalities would consist of representatives of the republics delegated by their highest organs of power. The Council of the Union would be elected by the population of the entire country by electoral district.

I opposed the existence of such a chamber as the council of nationalities. After all, by logic, it should be deciding national questions. But it would then be necessary to delegate to the union the corresponding powers also, that is, those which concern national problems. This cannot be done. The solution of national questions is the republics' internal concern.

Considering this, we agreed to call this chamber the Council of Republics. Representatives will be delegated to it by the supreme soviets of the republics.

The question of the quota of representatives in such a chamber was keenly debated also. Representatives of republics which were formerly autonomies insisted on their individual representation.

But representation of the republics under such conditions would be unequal. The RSFSR, for example, would have 96 representatives. And the Ukraine, together with the Crimea, approximately 11-15.

We ultimately agreed that all the union republics would have an identical quota of representatives and an equal number of votes.

A fundamental position of mine was that the new union should have no such body as a Council of Federations. Today's practice testifies that such a body is without rights and adopts no decisions. And if it does, they are formalized by presidential edicts. So, a Federations

Council could thus interfere in the executive and administrative functions of the republics and in the sphere of activity of their executive bodies.

And simply meeting and talking, we do not need this. If we have learned anything, it is this.

The participants in the meeting reached general agreement on withdrawing this article from the draft treaty.

Concerning the election of the president. We agreed that the president of the Union should be elected directly by the people for a five-year term and no more than two terms in succession.

I opposed federal republic courts also. This position also was supported by the members of the Preparatory Committee.

And one further important question. It concerns the sphere of exercise by the union prosecutor general of the functions of legality control by the Procuracy. The specification that these functions of his be exercised merely within the framework of the authority of the union was made. The judicial authority of the union likewise.

The provision of the draft to the effect that Russian is recognized as the official language of the union was amplified also. Proceeding from the legislation of the republics on the fact that their official languages are their national languages, Russian was defined as the official language of communication between the republics which are a part of the union.

The next and final question, which was discussed very actively, was the question concerning the procedure, mechanism and timeframe of realization of the articles of the treaty. The draft contained an article concerning an appendix to the treaty and a protocol thereto as parts of the treaty. No one has seen the appendix and protocol.

In addition, an appendix to the treaty could be a differences protocol. I will forecast a possible situation. During discussion, for example, of the draft Union treaty adopted at the Preparatory Committee meeting by the republic supreme soviets certain disagreements arise concerning this provision of the draft or the other. They should undoubtedly be examined and considered upon final completion of the draft. Such positions of the republics could be reflected in a differences protocol also. The members of the commission agreed with this proposal.

As a member of the Preparatory Commission, I defended a position conditioned, in particular, by the results of a poll of the republic's population: The new formation should be a union of sovereign states which the Ukraine may join only on the principles of the Declaration on the State Sovereignty of the Ukraine.

The text of the draft Union treaty agreed in the committee will be distributed to you people's deputies, and the Ukrainian SSR Supreme Soviet will adopt its decision thereon.

L.M. Kravchuk then answered the people's deputies' questions.

Ukrainian Opposition to Union Treaty Concept

91UN1878A Kiev LITERATURNA UKRAYINA
in Ukrainian 13 Jun 91 p 2

["Concept of the Union Treaty: Introduced by I.R. Yukhnovskyy, Ukrainian SSR People's Deputy"—LITERATURNA UKRAYINA headline]

[Text]

1. Based on the historical experience of the Russian empire and the historical experience of construction of the USSR, and based on the experience of the creation of new states all over the world, the following should be stated:

a) all the independent states of the world that arose as a result of the collapse of empires were formed through the self-determination of certain nations. State self-determination of nations is the organization which most effectively produces a balance between industrial activity of the nation and the geographic environment which surrounds it.

b) the Russian empire, as well as the Soviet Union which replaced it, is too large and too varied a state to be successfully ruled from a unified center. The central leadership does not have enough energy or information to carry out its functions;

c) concerning the Soviet Union, the collapse of the state has emerged:

—in the economic aspect:

—from the results of the general nationalization of property, the centralization of administration, and the inaccessibility of the informational system;

—in the social sphere:

—in the violation of human rights, in the forcible Russification of all organs of administration, education, culture, and defense.

2. A possible solution to the USSR's crisis:

a) decentralization of the economy and the social structure. The natural and, as a result, irreversible path for this consists of the formation of independent states as the result of the self-determination of nations.

Concerning the Ukraine. The Ukraine is becoming an independent state as the result of the self-determination of the Ukrainian nation. The Ukrainian language and culture are the state language and culture. All nations which reside on the territory of the Ukraine make up its people. The people of the Ukraine are the sole bearer of power in the Ukraine, and they are guaranteed implementation of the Declaration of Human Rights;

b) the reformation of the USSR into an association of independent states is the sole possible path for a solution to the crisis for the entire country. The energy needed to pull individual republics from the crisis is many billions times less than the energy required to pull the USSR, led from a single center in Moscow, from the crisis. And we are only speaking of the energy needed to restore the economy. There is an enormous reserve of social energy decaying to no avail under the pressure of a totalitarian regime and it could yield a tremendous amount of creative activity within the framework of the cooperation of democratic states.

A concept of a Union treaty should proceed from the aforementioned arguments in favor of the creation of an association of independent states on the one hand as well as from existing economic goals and goals of strategic defense that are common to all the states. All 15 republics of the Union will sign the Union treaty. All 15 will do it on the basis of consensus. The signing of a treaty by a portion of the republics with the participation of Russia will lead to the replacement of fraternal relations between republics with predatory politics and blackmail.

Concept of a Union Treaty

The Union treaty consists of two parts:

1. A treaty between the states of the Ukraine, the Russian Federation, Belorussia, Georgia, Armenia, Lithuania, Latvia, Estonia, Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, and the Republic of Moldova.

2. A treaty for the transition period between the governments of the Ukraine, the Russian Federation, Belorussia, Georgia, Armenia, Lithuania, Latvia, Estonia, Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, the Republic of Moldova, and the government of the USSR concerning mutual policy during the transition period.

The Treaty Between the States

The treaty between the 15 states which have been created as a result of the self-determination of the nations that make up the indigenous population of the present republics of the Soviet Union is the main treaty. It is to be valid for a period of 10 years, and the conditions of the treaty are to be reexamined every two years. The treaty is composed of three basic sections:

Section I. A declaration of the creation of independent states: The Ukraine, Russia, Belorussia, Georgia, Armenia, Lithuania, Latvia, Estonia, Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, and Moldova, and the mutual recognition by them of one another's independence. The objective reasons which lead to such a creation as well as the prospects for independence for the states are defined.

Section II. Concerning mutual relations.

The states of the Ukraine, Russia, Belorussia, Georgia, Armenia, Lithuania, Latvia, Estonia, Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, and Moldova agree to respect the sovereignty of one another and to construct their relations on the 10 principles of international law.

Section III. Common goals. The states of the Ukraine, Russia, Belorussia, Georgia, Armenia, Lithuania, Latvia, Estonia, Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, and Moldova, based on the experience of their economic, political, and cultural development which is expressed in close mutual ties between sources of raw materials and production and between production relations, and at the level of standards and cultural and scientific ties; with the goal of strengthening peace between the peoples of the world and supporting military equilibrium while constantly striving for reductions in arms and military conflict; and with the goal of the joint conduction of space research, agree:

a) to create a joint strategic defense command element. To commission it with working out a defense strategy for the Union states. And to allocate the necessary money;

b) to create a committee for space research and allocate the appropriate money;

c) to create a system of economic organizations (with a deliberative function) which will contribute to the development of a common market of the states. To allocate the appropriate money for these goals;

d) to create a council of the leaders of the 15 states to coordinate activities; to create a secretariat of the council. To allocate the appropriate money.

The Treaty for the Transition Period

With the goal of finding a solution for each of the states to the economic and social crisis, the states of the Ukraine, Russia, Belorussia, Georgia, Armenia, Lithuania, Latvia, Estonia, Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, and Moldova, agree to joint actions of their governments and the government of the USSR in Moscow for the transition period:

1. The government of the USSR and the governments of the 15 states agree to the transfer of Union property to ownership of the states. They work out packages of specific measures. The governments of the states coordinate between themselves a policy for the denationalization of property that is the most appropriate to each of them.

2. The government of the USSR and the governments of the 15 states agree to decentralize the Soviet Army. The basis of the statehood of each of the former Union republics is for each of the states to have its own national army. At the same time, a professional army is created

for the strategic defense of the community of the 15 states. It is manned from the community's national armies.

3. The government of the USSR and the governments of the 15 states agree to the creation in each of the 15 states of their own independent financial and budgetary systems as the basis of the economic autonomy of each of the states and as the sole source of a solution for each of them to the economic chaos. With this goal in mind, the states together with the government of the USSR separately decide questions of the issuance of their own currencies.

4. Other questions connected with the possible painless transition of the former 15 Union republics to independence.

The treaty for the transition period is drawn up for a period of three to five years with specific periods for individual measures. To the degree that provisions of the treaty of the transition period are carried out, dissolution of the appropriate Union administrative structures takes place. The treaty of the transition period is signed at the same time as the signing of the necessary acts that define the details of all the points of the treaty.

At the end of the effective period of the treaty for the intermediate period, the Union Government dissolves itself. The Union ceases to exist officially as a state.

The basic treaty goes into effect, and the administrative organs for the functioning of its individual articles begin to act.

• • •

The Ten Principles of International Law

1. Sovereign equality and mutual advantage.
2. Repudiation of the use of force or of the threat of the use of force or of any other means of pressure.
3. Territorial integrity.
4. Inviolability of existing borders.
5. Peaceful regulation of disputes and conflicts.
6. Noninterference in internal affairs.
7. Cooperation and mutual respect.
8. Conscientious execution of treaty obligations.
9. Performance of joint activities with mutual agreement and within a scope that is accepted by each state.
10. Avoidance of harm to one another and to the Union as a whole.

Draft on Price Reform, Social Guarantees

91UN1856A Minsk BELORUSSKAYA NIVA
in Russian 12 Apr 91 p 1

[Decree of BSSR Supsov Presidium: "On the Appeal of the Working Collectives in Connection with the Retail Price Reform and with Ensuring the Social Defense of the Populace"]

[Text] Having heard and discussed the report of Belorussian SSR Council of Ministers First Deputy Chairman M.V. Myasnikovich on the reaction of the Belorussian Council of Ministers to the appeal of the working collectives in connection with the retail price reform, and with ensuring the social protection of the populace, the Belorussian SSR Supreme Soviet Presidium **decrees:**

1. Acknowledge that the objective situation which has come to pass in the republic's economy precludes any alternative to retail price reform.

2. Approve on the whole the additional measures for the social defense of the populace of the Belorussian SSR in connection with the retail price increase, taken by the Belorussian SSR Council of Ministers in response to the appeal from the working collectives.

3. The Belorussian SSR Council of Ministers shall step up its work on implementing the program for the transition to a market economy in the Belorussian SSR, while ensuring the social defense of the citizens of the republic. The process of demonopolization and privatization of property in the sectors of the national economy, including the allotment of land to all who desire it, shall be accelerated on a legislative basis.

4. Warn Belorussian SSR Council of Ministers Deputy Chairman V.A. Zalomay and republic Trade Minister V.P. Demyanovich on incompletely fulfilling their official obligations and unsatisfactory control over the activity of their subordinate administrators, who permitted serious neglect in the organization of trade, timely shipment of goods, ensuring clear-cut interactions with suppliers; withdrew control over repricing of goods and proper application of new prices, especially contracted prices, and took a position of compromise with respect to the manufacturing enterprises.

5. Authorize the Belorussian SSR Supreme Soviet Commission on Consumer Goods, Trade and Services to the Populace to examine the question of cadre policy in the Belorussian SSR Ministry of Trade, Belkoopsoyuz

[Belorussian Union of Consumer Cooperatives], and submit its proposals to the Belorussian SSR Supreme Soviet.

6. Warn the following republic ministers: light industry, N.T. Gulev; timber, pulp and woodworking, L.S. Kravtsov; first deputy ministers, of industrial construction materials—S.S. Akulich, and local industry—A.N. Vakhtin, on their personal responsibility for unconditional fulfillment of contracts for delivery of consumer goods, and for implementing control over the price-formation system in the branches.

7. Authorize the Belorussian SSR Council of Ministers, local Soviets of People's Deputies and their executive committees, administrators of enterprises, organizations and institutions, to seek out in April-May of the current year additional possibilities for the social defense of invalids and veterans of war and labor who are receiving the minimum pension, and also young students. They are to examine questions of offering them benefits for the cost of living space, municipal services, medical services, supplements to the minimum pension, and organization of free meals for people who live alone.

Render assistance to young families in acquiring essential household articles.

8. The Belorussian SSR Council of Ministers shall study the possibility of reducing the rates for taxation of profits by branch and individual enterprises which have a low profit margin, and stipulate these measures in the Belorussian SSR draft law, "On Taxes on Profits of Enterprises and Economic Organizations," which is to be introduced at the Belorussian SSR Supreme Soviet session in May of this year. Pay special attention to stabilization of the economic and financial situation in the agro-industrial complex.

9. In case conflict situations arise in labor collectives, the Belorussian SSR Council of Ministers, local Soviets of People's Deputies and their executive organs, and administrators of enterprises and associations shall take immediate measures to examine them and settle the situation.

Bring to the attention of the public the essence of the measures undertaken in the republic for their social defense, conduct extensive explanatory work, and fully utilize the rights granted and the available opportunities for compensatory payments, and the adoption of other guarantees and benefits in the interests of all categories of the populace.

[signed] *Chairman of the Belorussian SSR Supreme Soviet, N. Dementey, 10 April 1991, Minsk.*

Early 1991 Economic Development Viewed

914A0837A Tallinn PAEVALEHT in: Estonian,
3 Apr 91 p 2

[Article by E. Eero: "Situation 'Great' But Not Hopeless"]

[Text]

About the Overall Condition of Estonia's Economy in January and February

The overall condition of Estonia's economy has become a source of some concern lately. The decline in the physical volume of goods and services continues, while inflation, along with its accompanying rise in the cost of living, is accelerating.

The bulletin issued by the Department of Statistics confirms that this year's industrial production for January and February is down 7.6 percent, livestock sales down 21 percent, and milk production down 17 percent, compared to the same two months of last year. The volume of motor haulage is down 17.9 percent and the volume of rail cargo down 11.1 percent. So there's nothing much to brag about except rising prices.

Despite the continuing decline in its physical volume, the wholesale value of the output of industrial production rose close to 80 percent in January, compared to December, and continued its rise to show a close to 14 percent increase for February over January. Due to the price freeze of January 14, the increase in the retail value of the production volume has been somewhat smaller, yet noticeable. Thus, the production of consumer items, at retail prices, went up roughly 22 percent in January, compared to December, and close to 20 percent in February, compared to January. Indications are that this growth will continue into March at the same rate. Due to the increase in retail prices, effective April 2, and the considerable expansion of areas now opened up for contract pricing in the Soviet Union, a steep jump in prices can be expected in April or May.

Despite the price freezes, the consumer price index for the first quarter of this year will be reaching 1.6, compared to the last quarter of the year before. What will that do to the cost of living index? Assuming that most of the so-called market basket is filled with domestic goods, and that prices for services are also going up fast, that too is bound to be roughly in the same range.

Data Base Not Adequate

The most objective way to evaluate the overall condition of the economy is to look at the asset base of the state, and how it is being used. In our great zeal of decentralization and liberalization we have managed, in our calculations, to even let go of some of those things that form the basis of the very market economy we are trying to create.

We lack, for example, operational calculations to determine the status of salary, profit and depreciation amounts as the main source of investment. Under expenses, we have yet to come up with a formula for social taxation. We also lack accounting for trade exchange and trade volume balances with other republics.

Relying on indirect data, we attempt to complete the task with a certain degree of probability.

Based on data received from the State Bank, and the internal structure of wage resources, we can say that the average gross wage of the 800,000 wage earners was determined to be between 410 and 415 rubles for January (for the fourth quarter of last year this was close to 400 rubles), and 450 rubles for February.

Outside factors not considered, the added value total (or national income) produced over the first two months of this year would be 1,520 million rubles. More than 600 million or 40 percent of that state income total came from taxes (the so-called tax burden).

How can these results be evaluated? Any fundamental conclusions would be hard to make at this time, since the whole taxation system was changed as of January 1. Some of the new taxes, such as the excise tax and the individual income tax, did not start coming in to their full extent until February. Some of the old taxes (such as income tax for enterprises and the old excise tax) were still being collected through January and part of February.

Two months' receipts for the state budget, at the time of its approval, were projected at 270 million rubles. Actual proceeds were 62 million rubles more (+23 percent). Considering the price hikes, however, this is not quite enough.

Collections running below projections occurred, for example, in the case of the new excise tax, due to the fact that the bulk of the proceeds from this new levy item did not start coming in until February. Hence, the situation is expected to improve in March.

At the same time, there were also no funds coming in from the price difference in crude oil products. Thus, collections for the state budget were running at least 28 million rubles below projections for the past two months. Collection shortages will also be continuing into March, since certain problems regarding the implementation of excise tax have not been resolved.

The two-month proceeds channeled to local budgets were projected at 106 million rubles by the local councils. Actual proceeds were 30 million rubles more (+28 percent). The result is better than that for the state budget, but considering the price hike, still on the low side.

The local authorities have been conservative in exercising their right to impose an additional excise tax of up to three percent. This resulted in proceeds of only six

million rubles out of the possible 15 million. In all likelihood, the situation will improve in March.

So far, in practice, local administrative units have also not taken advantage of the opportunities afforded by the land tax law. Out of the annual projection of 65.5 million rubles, only 0.4 million rubles have been collected so far.

Difficulties With the Cost of Living Compensation

We are facing the task of compensating for the cost of living. It is expected that many rural elders and mayors will turn to the government for help in this matter. It is my considered opinion that such requests not be granted out of the common funds of all the taxpayers of the republic, until the full potential of taxpayers in a given county or city has been exhausted.

The situation in the republic may be critical, but it is becoming super-critical in the matter of setting up the workings of the Social Fund. The seven-member committee of the Fund is housed in a garret and is working virtually without any accounting technology. It is, however, in possession and in command of a resource the annual volume of which already exceeds one billion rubles. Within half a year, this will grow to a billion and a half, and is expected to reach two billion by the end of the year. This is a tremendous resource. But instead of serving as a credit resource for seniors and those needing help, it has for too long been at the disposal of legal entities paying into the fund, and that for nothing more than a "thank you."

Collection of data about the housekeeping side of the fund is scheduled to take place once every quarter. However, under conditions of hyper-inflation, decisions affecting the use of tens and hundreds of millions of rubles should be made more operatively, at least once a month. But we don't have the information to do that. Let's hope that the government of the republic, along with its county- and city governments will help the Social Fund in this matter.

We are facing a price hike and are looking forward to the promised compensations to be paid out. Judging by the foregoing, we have reason to believe that the government's notes will be covered. Preliminary projections show that, in addition to two months' worth of over-collections, additional funds amounting to at least 30 or 40 million rubles are expected to come in for the state budget in March, and some 50 to 60 million rubles in April. Additional receipts for local budgets are projected in the range of 30 and 40 million rubles respectively.

So much for the resource side of compensation. What needs to be resolved is the mechanics side of compensation.

Dispassionate statistics show that a continuing increase in prices has triggered hyper-inflation. Our previous mechanism of compensating for lost income has not been adjusted to new conditions. Today's mechanism was devised to handle one-time disbursements, based on

scheduled resolutions for price increases, such as the one scheduled for October 15 of last year. In practice, however, the prices keep going up all the time. The proposal submitted by the Ministry of Finance and Economic Affairs dealing with adjustments in the compensation procedures under conditions of hyper-inflation is waiting for a review by the government.

Even more important, right now, seems to be the issue of a categorical breakdown of the budgets, and of setting up accounting procedures for keeping track of it.

At the time the budget was made up, 34 to 35 percent of the republic's total proceeds was earmarked for salaries to budgeted enterprises, 35 to 36 percent for pensions, assistance and compensation, and the rest for other expenses.

The legislature has established in paragraph 4 of the state budget that out of all additional proceeds applied toward the state budget, 75 percent would be used to provide supplementary funding to participants in the state budget, according to the structure of the budget. There is no review to date, as to how the councils have solved this problem.

In our great zeal to liberalize wage politics, it was decided to forego the calculations of payroll figures applied to participating enterprises. It was only recently that the Ministry of Finance restored the previously used procedures. Ever since the compensation resolution was passed by the government, any rural elder or mayor, minister or head of a government agency could be faced with a dilemma: The resolution needs to be carried out, but there is no money. There was some money some time ago, but it was needed for plugging up some other holes.

We propose to the government that every request for assistance be accompanied by an accounting of proceeds and expenses to back up the request. The decision of the government will have to be honest.

Because of insufficient data, it is not possible at this time to evaluate the extent of barter and trade volume with other republics. We are waiting to receive more information on this subject from the government's trade exchange committee and from the Bank of Estonia. As far as we know, the trade exchange committee, in cooperation with the bureaus of statistics and customs, are at least attempting to find a solution to this problem. We have not heard from the Bank of Estonia regarding trade volume. As an economist, I cannot see how the Republic of Estonia can exist without knowing how much we owe to our neighbors, and how much they owe to us.

Talks to Free Enterprise Assets Reported

914A0837B Tallinn RAHVA HAAAL in Estonian.

4 Apr 91 p 1

[Article by Harri Treial (based on interview with Rein Otsason, President, Bank of Estonia): "Will the Clearing Rubles Evaporate?"]

[Text] The resources of Estonian enterprises figured in clearing rubles are thought to run into tens of millions. What will happen to all of those clearing amounts that have been frozen for the time being? This is what I wanted to find out from Rein Otsason, who went to Moscow to clarify the matter.

Those sums of money that belong to enterprises of the Estonian republic, and that are currently "being kept" at the Moscow bank, are quite large—well over 10 million Finnish Marks. Worst off are those who have centered their economic activity specifically on Finland. What makes the present situation even more unpleasant for Estonia is the fact that we are quite heavily involved with our northern neighbors. To find a way out of this situation, the Union Ministry of Finance, along with the Planning Committee, has submitted a draft decree to the government of the Union.

On Friday of last week, I was talking to people who are involved in formulating it. Obviously, the decree has not been disclosed, but I have been told that one way to solve the problem is to have the clearing currency changed into freely convertible currency. This, of course, would be done at a certain rate of exchange which would not be based on the current world market values of the Finnish Mark and the U.S. Dollar, but calculated for our enterprises to sustain a loss. I could not tell just how much they would lose. Maybe 10, 20 or even 30 percent. Yet, the whole thing could be considered a solution of sorts, since the situation has become simply intolerable. The funds of our enterprises (about a hundred in number) have for all practical purposes been frozen for some time now. The ones suffering most are those who have been especially diligent in their activity—since they have the largest amounts of clearing rubles.

It should be added here that the use of clearing rubles has temporarily been extended till April 19, but that only on condition that the Licensing Office of Finland grant a permit to do so, based on a trade agreement that had been reached earlier. It seems, however, that most of our enterprises cannot take advantage of this option. By the way, a Soviet Union government delegation will be going to Helsinki this week, for the purpose of solving these problems.

To some of the republic's enterprises, the fate of the transfer ruble is just as important. Here we are dealing with something like an artificial currency, that has been used in commercial transactions with former East bloc countries. These amounts also run into tens of millions of currency rubles. On this matter, too, the Union government is planning to pass a decree, the draft of which is currently being discussed. For the time being, I don't know the content of that either.

Part of the total being discussed here relates to actual balances (roughly three million), while the other part (amounting to more than 10 million currency rubles) is made up of sums not related to balances. The latter means that the enterprise has already received the ruble

equivalent for its currency, just as if it had sold the currency to the state. For the transfer rubles on balance, however, it will be paid in rubles. Thus, the net result of all foreign transactions up until now adds up to practically nil. It was added, however, that a proposal has been submitted to make imported goods available on a preferred basis to those enterprises and to those regions, whose sums have remained unused. The latter can be extended for production needs, or given directly to people (consumer items). Whether or not these decrees will be passed can be seen in the near future.

Of course, in some ways it is good that an artificial currency such as the transfer ruble will no longer figure in the accounting process. However, the whole process should be carried out without causing losses to the enterprises. A transition to convertible currency in our dealings with former socialist countries, and also with Finland, would be profitable, indeed, if it wasn't for one little flaw: The Soviet Union owes money to both Finland and the former socialist countries, whose obligations toward Moscow are squared away. This raises a danger of Soviet government organs trying to wipe out their debt by simply cancelling the amounts owed by enterprises. A just solution would be for the Union to replace the currency for each enterprise, regardless of its limited currency resources. That much more so since the Union government has passed laws that make the government accountable to the enterprises. According to the enterprise law, for example, the government should not renege on its obligations.

But, since the situation is extremely bad already, we are all counting on the problem to be solved fast. Large sums belonging to our enterprises are still frozen today, meaning that Estonia has been charged a huge "tax" on its currency. At the same time, the currency obligation the Union has toward the enterprises of Estonia, is left unmet, at least partially.

There is something else we could talk about, something that is of interest to many of Estonia's enterprises. A significant change was implemented at the end of last year by the Union Foreign Trade Bank and the Union Ministry of Finance: all non-balance accounts of convertible currency belonging to enterprises were changed to balance accounts. Hence, if the enterprise previously merely had the right to buy for currency, then now it will have real currency transferred to its account, to be used as it sees fit. For that, the enterprises had to contribute one third of the ruble value of this currency, while the remaining two thirds were to be contributed by the Finance Ministry of the USSR. However, the Union Foreign Trade Bank has not, as yet, transferred this currency to the Estonian enterprises, even though the rubles to cover this amount were collected a long time ago. During my last conversation with representatives of the Foreign Trade Bank management I was promised that all options for a positive solution to this problem will be explored during this week. As you can see, this does not amount to a real promise yet, but we intend to

go as high up as necessary in our demand for justice to be done, since the Moscow bank has no right to pose any restrictions here.

Tallinn Mayor on Decentralization Efforts

©14407994 Stockholm EESTI PAEVALLEHT
in Estonian 17 Apr 91 p 1

[Interview with Mayor of Tallinn and Union deputy Hardo Aasmae by U. Ignats: "Mayor of Tallinn: More Enterprises Being Returned to Estonians"]

[Text] Mayor of Tallinn and Union deputy Hardo Aasmae spent some time in Sweden recently as part of his vacation travels. EESTI PAEVALEHT took this opportunity to talk to him on several pertinent issues.

[AASMAE] For openers, I would like to say that, looking in from here, it would seem that we Estonians do a lot of hickering among ourselves. Actually, we are undergoing something of an inevitable period in our development. We have advanced from political declarations into an era of practical reforms, and every one of those practical reforms will be affecting people individually and personally. This means the emergence of totally different conflicts and interests. Those who were marching under the blue-black-and-white banners against Moscow yesterday are now steeped in a debate over property rights.

[IGNATS] What is the situation in Tallinn today?

[AASMAE] All quiet on the Western front. By now, even the Russians are convinced that they made a mistake boycotting the elections in Tallinn, and that there is no way they could influence the doings of the city through parliamentary channels.

Our foremost task right now is to bring about decentralization and privatization in the areas of trade, food and services, something that is apparently not very well understood in these parts. The city would have to create economic incentives to get the whole thing moving. But we are still waiting, for example, for the Supreme Soviet to pass a resolution that would privatize the housing sector. The amount of property now belonging to the city is enormous enough to make it highly irregular.

We cannot concentrate on the problems we should be dealing with: like infrastructure, roads, streets, etc.

The main objective here is that property be turned over to owners who would take a serious interest in maintaining it.

[IGNATS] But you also have another important task besides the activities of the city, that of bringing the industry now under Union control back under Estonian authority.

[AASMAE] I have been dealing with that even before I was elected mayor. This also accounts for my frequent trips to Moscow.

Our republic now commands facilities responsible for 85 percent of our industrial production. How much of that is my doing, is another question. The last of the big factories transferred to us was Talleks.

[IGNATS] Which branches of the industry are now under Estonian authority?

[AASMAE] Light industry, forestry, lumber, paper, food items, part of machine construction, and of chemistry.

[IGNATS] What is the struggle all about?

[AASMAE] The basic aim, right now, is to increase the share of the chemical industry. There is talk about the chemical combine at Maardu and several enterprises engaged in machine construction, limarine and the ship repair facility, involving both construction and energetics.

[IGNATS] What are the prospects of succeeding?

[AASMAE] This struggle is different from what you would see in the West, because there is no property in the Soviet Union. In that sense this subordination to authority is incomprehensible to you. It requires perseverance and cussedness.

[IGNATS] If one were to go to some Moscow office to negotiate, how would that be done, in practice?

[AASMAE] A law has been passed for economic self-management in the Baltic states, along with decree number 120 issued by the Union Council of Ministers on February 7, 1990, paragraph 2 of which specifies which enterprises should be turned over immediately. And then there is another paragraph saying that negotiations are to be continued about turning over additional enterprises. To me, this is a government decision, and it's up to the government people to carry it out. Then they give me all kinds of guff, and so the scuffle goes.

Thus, behind those high-sounding declarations, there is an ongoing effort to get more and more enterprises transferred under Estonian authority.

[IGNATS] Does Estonia differ from other Union republics in this respect?

[AASMAE] Actually, we are way ahead of the others.

In fact, Russia only controls 17 percent of its industry. There is probably the lowest percentage, unless Kazakhstan's is low enough to beat them.

[IGNATS] To what degree is Estonia involved in the power games of Moscow at this time?

[AASMAE] As little as possible, yet as much as needed.

[IGNATS] In essence, is the boycott still on?

[AASMAE] The point is that we don't participate in the legislation, but deal only with issues that concern us directly.

[IGNATS] Let's say Estonia will become free in 1991. How would things work out in this case?

[AASMAE] First, I doubt that it will happen in 1991. By nature I am a cheerful person, but politically I am a skeptic. If it should happen, I for one think that it would happen on a very dull day. Low clouds, a sprinkling of rain, winds from the West—from Sweden.

[IGNATS] But would it be a result of an agreement or a unilateral declaration?

[AASMAE] Most likely, it would be the result of an agreement. They would simply have to let go of business in the Baltics. At some point it will become obvious that, in their dealings on the global scale, the profit of giving up the Baltics will outweigh the cost of keeping them. Tipping the scales will also be the fact that Russia is used to the idea and approves of it. I'm talking about Russia proper now, not about the Soviet Union.

Otsason On State 'Interference' With Bank

91440799B Stockholm EESTI PAEVALEHT
in Estonian 17 Apr 91 p 2

[Recap of Presentation made on Estonian TV: "Otsason Critical: Government Interferes with Bank of Estonia Operations ..."]

[Text] Bank of Estonia's director Rein Otsason made a presentation on ETV's program "Point of View" in which he accused Estonia's government of violating the principle of separation between government and banking, as stipulated by the banking law.

In Otsason's opinion the government is out to undermine the activities of the Bank of Estonia. The bank has not received the resources it had been promised, state funds and foreign currencies are not kept at the Bank of Estonia, but at some other Estonian banks. The government is violating the European banking principle of separation of powers, and wants to maintain its hold on both spending and saving.

Right now, the Bank of Estonia cannot perform its functions in two significant areas, because it lacks the means of issuing currency and of regulating the credit market, Otsason said.

All of this is happening with the knowledge and approval of the Supreme Soviet and Otsason thinks that half of the deputies have not yet fully realized what this is all about. The other half is obviously not interested in any kind of an independent central bank.

A few days ago, Otsason held a press conference dealing, primarily, with the Estonian kroon. For a few months, at least, it will not be possible to issue our own currency. One of the problems is securing transport for the bills printed abroad.

As we know, Bank of Estonia was Soviet Union's first central bank of a republic. First, there was some distrust

on the part of Soviet Union's Central Bank, but the current banking law of the Soviet Union recognizes the existence of central banks.

We still have our weekly hassles with the State Bank of the Soviet Union, but we are no longer dependent on Moscow. We have been given authority for a full range of currency transactions, including the export of currency, Otsason explained.

Of course we depend on the State Bank of the Soviet Union, because it has the monopoly on issuing currency, and it also controls the credit market.

While the banking law approved by the SU Supreme Soviet allows the republics to have their own central banks, it also contains certain elements that clearly refer to a Union treaty.

There are two different fiscal concepts being discussed at the Supreme Soviet. The second of these is predicated on a prompt liquidation of people's savings, Otsason alleged.

Imported scientists (Otsason's obvious reference aimed primarily at government advisor Bo Kragh) think that since old people are poor anyway, wiping out their savings is not a matter of great significance, Otsason lamented.

Otsason had facts to show that since there are only two billion rubles kept in savings, against 25 billion in state resources, it should not be a hardship for the state of Estonia to compensate for the savings out of its resources.

People's savings would make up the capital that is needed for privatizing the economy. These funds should be used for the purchase of shares, apartments and land.

The other way to bring about privatization would be to give shares in state enterprises to citizens, who have already paid for them with decades of their work. Preference should be given to workers at each enterprise.

First I was opposed to the idea of shares, but now I support it. I am thinking of the elderly, in particular. If they are not given a share of the wealth that was created with their help, they will be entering market economy as paupers or artificial beggars.

The Soviet government decided to compensate for the early April price hikes averaging 60 percent through bank accounts. All savings kept in state banks will be given a 40-percent increase which will be frozen for three years. These frozen savings could be used, however, to make some major purchases such as apartments and the like.

The decision does create a few problems: for the time being, at least, it does not apply to savings kept at commercial banks. Also left out of this compensation will be people who have invested their money in shares.

SUPSOV Resolution Restores Property Rights

91440799C Stockholm EESTI PAEVALEHT
in Estonian, 8 May 91 p 2

[Unattributed article: "Supreme Soviet Resolution About Restoring the Continuity of Property Rights"]

[Text] Among new legislation passed in Estonia there is a law that deals with restoring the continuity of property rights. The law repeals the nationalization and collectivization acts of 1940 and 1947. The new law is signed by Arnold Ruutel, Supreme Soviet chairman for the Republic of Estonia, and reads as follows:

BASED ON the Supreme Soviet resolution of the Estonian SSR dated March 30, 1990 Regarding the Statehood Status of Estonia, the Estonian SSR law dated May 8, 1990 Regarding Estonian Symbols, and the Republic of Estonia law dated May 16, 1990 Regarding Basic Procedures for the Temporary Governance of Estonia, and

RECOGNIZING that the changes made in the ownership procedures of the Republic of Estonia by the Soviet occupational powers have been violent in nature, and

RELYING on the principle of unviolability of ownership rights, as recognized by international law, and

CONSIDERING the need to restructure ownership procedures in the Republic of Estonia.

The Supreme Soviet of the Republic of Estonia has hereby resolved

1. To recognize as unlawful the passing and implementation of acts titled "The Declaration of Nationalization for Banks and Big Industry" and "The Declaration of Turning Land Ownership Over to the People," as passed on July 23, 1940 by the State Council of the Estonian SSR, and other normative acts designed to change the procedures for ownership.

2. To recognize that the collectivization of Estonia, pursuant to the CPSU CC decree of May 21, 1947 titled "The Creation of Kolkhozes in the Lithuanian, Latvian and Estonian SSSR's" was carried out by force, violating the rights of the owners.

3. The restoration of, or compensation for any property seized under the declarations mentioned in Section 1, or any of the normative acts passed for their implementation, and also for properties seized in the course of collectivization, will proceed in accordance with laws passed by the Republic of Estonia.

4. To commit the government of the Republic of Estonia to submitting to the Supreme Soviet by March 1, 1991, proposals dealing with the declarations and subsequently issued normative acts mentioned in Section 1, and to determine the properties seized in the course of collectivization, their former owners, and the range of their heirs.

It should also be established that claims from former owners and their heirs will be considered until December 27, 1991.

5. Control over transactions involving property mentioned in Section 3 will be maintained by the government of the Republic of Estonia.

Minister on State of Economy

91440799D Stockholm EESTI PAEVALEHT
in Estonian, 10 May 91 p 2

[Unattributed article: "Current Estonian Minister of Economic Affairs on the Condition of the Economy"]

[Text] Jaak Leimann, Estonia's minister of Economic Affairs, reviewed Estonia's current economic problems during a presentation, in which he also cited some interesting statistical data.

Leimann states that the Soviet Union has managed to virtually destroy the fully functioning economic system of the independence years, but has not come up with a sensible alternative for economic integration. The main objective, obviously, was not the development of a workable system. Instead, one of the objectives was to make Estonia dependent on the center.

As of today, the production volume of enterprises reporting to the government of Estonia makes up 60 percent of the total volume of production. This means that 40 percent is still controlled by the central government.

Even though Estonia's population accounts for only 0.54 percent of the population total of the Soviet Union, 0.72 percent of its total production comes from Estonia.

Traditionally, Estonia's output has come mainly from light industry, food products, and fuel and energy production. Milk and meat production are also doing well.

Estonia's major trading partners are Russia (57 percent), Ukraine (12), Latvia (7), Belorussia (6), and Lithuania (5).

Among foreign countries (besides Soviet Union and the Baltic republics), our major partners for export are Finland, Cuba, Poland, Germany, and the Czech and Slovak United Republic. For imports, however, the main partners are Germany, U.S.A., Hungary, the Czech and Slovak United Republic, Poland and Finland. This structure, according to Leimann, is a legacy of the command economy, and not compatible with Estonia's best interests.

Estonia's principal export items (excepting those to Soviet Union and the Baltic republics) include consumer goods (43 percent), food items (24), and machines and equipment (20). Imported items break down as follows: consumer goods (36 percent), food items and tobacco (24), machines and equipment (8).

The average monthly income in Estonia for 1990 was 320 rubles. Out of that 27 percent was spent on manufactured goods, 3 on apartments, and 37 on food items.

The major obstacles to attaining economic independence for Estonia are:

- 1) There is no free market in the Soviet Union for neither the means of production nor consumer items.
- 2) Banking and the circulation of money are controlled primarily by the central government.
- 3) Foreign trade and customs are also controlled largely from the center.
- 4) The price and wage levels are not balanced.

In all the areas that have for a long time been controlled by the central government, there is a shortage of Estonian specialists: these include banking, finance, customs, patent procedures and foreign trade.

Leimann draws the following conclusions from the present situation:

"Most of the problems confronting Estonia can be solved only under conditions of political independence. Looking ahead, we can say that, in the near future, we will have to carry out the ownership reform, give a green light to entrepreneurship, and start the privatization of enterprises."

Concept for Law on Property Reform

Alternative Concept I

914A0784A Tallinn SOVETSKAYA ESTONIYA
in Russian 15 May 91 pp 2-3

[“Normative Concept I” of the Estonian Republic law: “On the Fundamentals of Property Reform”]

[Text] On 8 May 1991, the Estonian Republic Supreme Soviet decreed to raise the: “Normative Concept of the Law on Fundamentals of Property Reform” for nationwide discussion.

Of the two alternative concepts submitted by the government to the Supreme Soviet it was considered necessary to publish only Concept I and Chapter 2 of Concept II since all the other parts of the two concepts are practically the same. Questions of return and compensation for property are considered in this chapter.

We will accept opinions and proposals concerning the draft law until 27 May 1991, at the address: Tallinn, Lossi plats, 1, Temporary Commission for Questions of Property and Land Reform.

Commission Chairman Kaydo Kama

1. General Provisions

Article 1. Tasks of the Law.

The law on the fundamentals of property reform determines the goal, content, objects, and subjects of the property reform and the procedure for conducting it, and it also serves as a basis for the other normative acts necessary for conducting the property reform.

Article 2. The Purpose of the Property Reform.

(1) The purpose of the property reform is to reorganize property relations in order to provide for the inviolability of property and free entrepreneurship, compensation for injustice on the territory of the Estonian Republic caused by violations of the right to property, and the creation of preconditions for a transition to a market economy.

(2) The return of property to its previous owners or their legal heirs during the course of the property reform must not encroach on the legally protected interests of other individuals or cause more injustice.

Article 3. The Content and Object of the Property Reform.

(1) The property reform provides for the return or compensation for illegally expropriated property:

1) property nationalized on the basis of normative acts recognized as illegal by the decree of the Estonian Republic Supreme Soviet of 19 December 1990: “On Restoration of the Right of Succession of Property” (denationalization);

2) property collectivized during the course of collectivization (decollectivization);

3) property expropriated through illegal repressions or some other way that encroaches on the rights of the property owner.

(2) During the course of the property reform, the form of ownership of the property changes as follows:

1) property owned by the state or cooperative or public organizations is transferred to municipal property (municipalization of property);

2) property owned by the state or cooperative or public organizations is sold or transferred by some other means to private property or transferred to municipal property (privatization of property);

3) property previously turned over by the state to cooperative or republic organizations is returned to the Estonian Republic (state expropriation of property).

(3) The return of or compensation for property envisioned on the basis of Part 1 of the present article and the transfer of property on the basis of Part 2 of the present article are carried out under the conditions, in the

amounts, and according to the procedure established by the present law and other normative acts of the Estonian Republic

Article 4. Authorized Subjects of the Property Reform.

Authorized subjects of the property reform are parties, including the state, with the right envisioned by the law to demand the return of or compensation for property or to demand or petition for transfer of the property for payment or free of charge

Article 5. Acknowledged Subjects of the Property Reform.

Acknowledged subjects of property reform are the state or other parties obligated under the conditions and according to the procedure envisioned by the law to return or compensate for property or transfer the property for the corresponding payment or free of charge to the authorized subjects of the property reform

II. Return and Compensation for Illegally Expropriated Property

Article 6. The Concept of Illegal Expropriation of Property.

(1) Illegal expropriation of property is seizing property from the owner against his will or putting him in a position where he is forced, because of a real threat of repression (Part 3), to give up or abandon his property. Expropriation is illegal if the expropriation is carried out on the basis of illegal decisions or as a result of arbitrary actions on the part of officials.

(2) Under the present law, nationalization, collectivization, and also expropriation of property during the course of illegal repressions, including mass repressions, and other means that meet the criteria indicated in Part 1 of the present article, during the period from 16 June 1940 through 31 March 1961, are regarded as illegal expropriation of property

(3) Illegal repression as understood in the present law is repression both by a court decision and nonjudicial repression in the form of the death penalty, incarceration, exile, expulsion, or deportation illegally or in a way that was subsequently declared to be illegal

(4) Illegally expropriated property returned or compensated for on the same basis regardless of the means of illegal expropriation indicated in Part 2, with the exception of that indicated in Part 5

(5) The present law applies to decollectivization and also to the return of land and compensation for it unless otherwise stipulated in another law of the Estonian Republic

(6) The only object of property reform is property illegally expropriated on the territory of the Estonian

Republic, with the exception of property illegally expropriated during the period when the territory was not under the jurisdiction of the Estonian Republic or the Estonian SSR

Article 7. Previous Owners of Illegally Expropriated Property as the Authorized Subjects of the Property Reform.

(1) The following are authorized to demand the return of or compensation for the value of illegally expropriated property

1) physical persons whose property was nationalized or collectivized during the course of collectivization, and also persons whose property was expropriated during the course of illegal repressions and who have now been rehabilitated, under the condition that they are living permanently on the territory of the Estonian Republic at the time the present law goes into effect or had citizenship in the Estonian Republic on 16 June 1940.

2) physical persons whose property was illegally expropriated on the basis of illegal decisions or as a result of arbitrary behavior on the part of officials, or who were forced because of a real threat of repressions to relinquish or abandon their property, under the condition that they are living permanently on the territory of the Estonian Republic at the time the present law goes into effect and the illegality of the decision, the arbitrariness of the officials, or the real threat of oppression have been proved in the courts.

Alternative: Add to Part 2 the words: "on the territory of the Estonian Republic" the following text: "or had citizenship in the Estonian Republic on 16 June 1940".

3) physical persons who are heirs listed in points 1 and 2 of the present law in the understanding and under the conditions indicated in Article 8 of the present law;

4) corporate bodies that are owners of illegally expropriated property and their successors in the understanding and under the conditions indicated in Article 9 of the present law;

5) units of self-government which in keeping with the Law of the Estonian Republic on the Fundamentals of Local Self-Government, have been granted the status of a volost, urban settlement, city, or republic city on whose territory there is illegally expropriated property which was previously municipal property;

6) The Estonian Republic receives the property owned by the Estonian Republic on 16 June 1940.

(2) The present law does not apply to citizens of the Estonian Republic or Estonian SSR and their heirs who left Estonia in keeping with treaties and other agreements concluded between Germany and the USSR.

Article 8. Heirs as an Authorized Subject of the Property Reform.

(1) In the event of the death of the owner of illegally expropriated property the authorized subjects of the property reform are

1) if there is a will, the parties indicated by the will in the amounts determined in the will.

Alternative: eliminate point 1 with the subsequent changes ensuing from this.

2) parents (adoptive parents), husband (wife), and children of the previous property owner in equal shares if there is no will or if the will does not cover the illegally expropriated property as a whole;

3) grandchildren of the previous owner in equal shares in the event of the death of their parent, regardless of whether the parent died before or after the death of the property owner, and they have the right to demand return or compensation for illegally expropriated property only within the limits of that part of the property or compensation to which their parent had a right.

Alternative: Exclude this point.

(2) The will must meet the requirements of the law in effect at the time it was drawn up.

Alternative: ...and it must have been drawn up before: a) 16 November 1988; b) 16 June 1940; c) 7 December 1988.

(3) In the present law the only people considered to be heirs are those indicated in Part 1 of the present article. In the event of the death of the heir of the previous property owner, his heirs do not gain the right to petition for the share of the legacy due to him, with the exception of cases in which they are grandchildren of the previous property owner (Part 1, point 3).

Article 9. Successors of Corporate Bodies as Authorized Subjects of the Property Reform.

(1) A corporate body is the successor of a corporate body which was the owner of illegally expropriated property and was registered in the Estonian Republic before 16 June 1940 only under the following conditions:

1) if the succession was not broken;

2) if the succession was broken but the activity of the corporate body is actually a continuation of the activity of the previous corporate body and if their stated goals and activity are covered.

Alternative: Eliminate point 2 and make the changes ensuing from that.

(2) Corporate bodies registered in the Estonian Republic that were owners of their property according to the law of the Estonian Republic may be authorized subjects of the property reform as successors.

(3) The court recognizes the corporate body as a successor and resolves the dispute among several corporate bodies petitioning for the rights of succession.

(4) A corporate body whose charter establishes the right to succession does not have the right to demand the return of illegally expropriated property before the court decision on succession goes into effect.

Article 10. Procedure for Recognizing the Succession of a Corporate Body.

(1) Having received from the corporate body an application for recognition as the successor to a corporate body registered in the Estonian Republic before 16 June 1940, the court publishes the corresponding announcement in the republic newspaper within 10 days.

(2) All individuals who have objections to the application that was submitted or who themselves wish to petition for succession to the corporate body must notify the court of this within three months of the day of the publication of the announcement.

Petitions may also be submitted by the physical persons on whose initiative the corporate body was established.

(3) The court must invite all individuals indicated in Parts 1 and 2 to the present article to the examination of the case.

(4) The application indicated in Part 1 of the present article must be submitted to the court in the location of the previous corporate body.

Article 11. Return of Illegally Expropriated Property.

(1) The state, local self-government organs, and corporate and physical persons who have possession of illegally expropriated property must return it to the authorized subjects.

(2) Illegally expropriated property is not subject to return in the following cases:

1) if the property has not been retained in its previous individualized form;

2) if the property is in the possession of a physical person in good faith;

3) if property in the possession of the state, a corporate body, or a municipal entity is a residential building being used by a physical person under a contract for leasing residential premises.

Alternative to point 3:

a) eliminate Point 3, which would mean that the existence of a lessor is not an obstacle to returning the residential building.

b) add: "...with the exception of cases in which the return of the residential building is demanded by its previous owner";

c) add: "...with the exception of cases where all lessors agree to the return of the residential building";

d) with the alternative variants a, b, and c, add guarantees for the lessors;

4) if the property is located on territory not under the jurisdiction of the Estonian Republic;

5) if, in the opinion of the state organ or local self-government organ, the return of the property causes harm to the economic or other interests of the Estonian Republic or the self-government unit.

(3) The question of returning the property is decided by the government of the Estonian Republic or the executive organ of local self-government according to the policy established by the government of the Estonian Republic.

(4) The government of the Estonian Republic or the executive organ of local self-government upon return of the property may set the requirement that it be used for its previous particular purpose. Meeting this requirement is included in the agreement that is concluded.

Article 12. Compensation for Illegally Expropriated Property.

(1) In the event that the illegally expropriated property has been destroyed or it is not returned based on Part 2 of Article 11 of the present law, it is compensated for by the state. Physical and corporate persons and organs of local self-government that have possession of unclaimed illegally expropriated property and also physical and corporate persons and organs of local self-government, in whose possession the property was destroyed or otherwise lost, are not obligated to pay compensation.

(2) Property is compensated for to individuals listed in points 1-3 of Article 7. Compensation is not paid to other previous owners or their successors.

Alternative:

a) compensation for property is made to individuals living permanently on the territory of the Estonian Republic and their successors (Article 8)...

b) the decision is made depending on the variant chosen from point 2 of Article 7.

(3) Lost income is not compensated

(4) Losses of illegally expropriated money, securities, pledges, and debentures and also losses of rights ensuing from them are not compensated.

(5) The Estonian Republic does not make compensation for illegally expropriated property destroyed during the war.

(6) Property is compensated for on the basis of its actual value, determined according to the procedure established by the Estonian Republic Government.

Article 13. Return or Compensation for Collectivized Property.

(1) Property collectivized during the course of the creation of kolkhozes [collective farms] is returned or compensated for on the same basis as other illegally expropriated property unless otherwise stipulated by the present law or other laws of the Estonian Republic.

(2) The register of collectivized property and its former owners is drawn up according to the procedure indicated in Article 16 in the form of a separate register.

(3) If it is impossible to return the collectivized property it is compensated:

1) by the kolkhoz during the course of whose creation the property was collectivized, and in the event that the kolkhoz is reorganized—by the kolkhoz in which the kolkhoz created during the collectivization of property is included;

2) by the state if the kolkhoz created during the collectivization of property has been reorganized into an enterprise based on state property or if the kolkhoz has no successor or it is impossible to establish the identity of the successor;

3) by another corporate body established during the reorganization or liquidation of the kolkhoz if it is the successor of the kolkhoz or all or part of the property of the kolkhoz has been transferred to it.

(4) Shares returned by the kolkhoz and collectivized property or compensation made in value or in kind are subject to accounting with the compensations indicated in Part 3 of the present article.

(5) If the authorized subject is a member of a small village farm, in keeping with the Estonian Republic law on small village farms, he has a priority right to obtain compensation in physical terms.

(6) Collectivized property may be returned before the date indicated in Part 2 of Article 17 if the authorized subject is a member of a group of village farms under the conditions listed in Part 5 of the present article. The corresponding decision is made by the kolkhoz or other nonstate corporate body, if it has ownership or possession of the property, or by the Department of State Property of the Estonian Republic, if the state owns the property.

Article 14. Peculiarities of the Return or Compensation for the Property of Foreign Countries, Their Corporate Bodies and Citizens, and Individuals Without Citizenship.

Petitions from foreign countries, their corporate bodies and citizens, and individuals without citizenship, with the exception of individuals indicated in points 1-3 of Article 7 of the present law, for return of property belonging to them which is located in the Estonian Republic, are resolved by an agreement between the Estonian Republic and the corresponding country.

Article 15. Peculiarities of the Return or Compensation for Nationalized Real Estate.

In the return or compensation for nationalized real estate the present law is applied unless otherwise indicated by the decree of the Estonian Republic Supreme Soviet of 20 December 1990: "On Land Reform" or the Estonian Republic law on land.

Article 16. Submitting and Accounting for Applications for the Return or Compensation for Illegally Expropriated Property.

(1) Individuals who are authorized subjects of the property reform or their representatives submit applications for the return or compensation for illegally expropriated property to the district or city ispolkom [executive committee] in the location of the property within a year from the day the present law goes into effect, appending to their application the documents they have concerning the ownership, composition, and value of the property.

(2) If by the day the present law goes into effect the individuals indicated in points 1 and 2 of Article 7 of the present law are not rehabilitated or if they have not proved in court the illegality of the decision, the arbitrariness of officials, or the real threat of repression, they or the individuals indicated in Part 1 of Article 8 have the right to submit the application indicated in Part 1 of the present article within a year of the day they receive the certificate of rehabilitation or the corresponding court decision goes into effect.

The indicated individuals have the right within six months to submit a petition for rehabilitation or to appeal to the court to prove the illegality of a decision, the arbitrariness of officials, or the real threat of repression.

(3) The procedure for submitting applications, considering them, submitting proof, and evaluating it is established by the Estonian Republic Government.

(4) On the basis of the applications submitted, the government of the Estonian Republic draws up a register of previous owners and property.

Article 17. Procedure for Return and Compensation for Illegally Expropriated Property.

(1) On the basis of the register indicated in Part 4 of Article 16 of the present law, they establish the value of the illegally expropriated property and issue a bank security indicating the recipient's name to the physical person or a note to any other owner.

(2) The illegally expropriated property is returned after the compilation of a register of the previous owners and the property on the basis of a decision of the government of the Estonian Republic or the executive organ of the local self-government with observance of the provisions of Article 11 of the present law and according to the procedure established by the government of the Estonian Republic.

(3) Compensation for illegally expropriated property is made through exchange of the securities indicated in Part 1 of the present article for shares or other property, in the form of a long-term payment, in money, or by some other method.

(4) The method, amounts, and procedure for compensation are determined by the Estonian Republic Supreme Soviet. If the value of the illegally expropriated property has not been proved, the Estonian Republic Supreme Soviet assigns compensation in a particular firm amount.

P.S. It is necessary to clarify the amount of the aforementioned sum.

(5) A demand for return or compensation for illegally expropriated property cannot be made against property that has already been returned or compensated for.

Article 18. Transactions with Illegally Expropriated Property.

Until the question of the return of illegally expropriated property is decided, this property may not be sold or transferred to private ownership by any other means by the state, corporate bodies, or organs of local self-government, and transactions concluded in violation of this prohibition are considered invalid.

Article 19. Resolution of Disputes Connected with the Return or Compensation for Illegally Expropriated Property.

Disputes arising in connection with the return or compensation for illegally expropriated property are resolved through the courts.

III. Municipalization

Article 20. The Concept of Municipalization.

Municipalization as understood in the present law is the transfer during the course of the property reform of property owned by the state or cooperative or public organizations to the ownership of the volost, urban settlement, city, republic city, or district (henceforth: to municipal property) or to the common property of the aforementioned units of self-government.

Article 21. Object of Municipalization.

(1) The object of municipalization is property owned by the state which is located on the territory of the given volost, urban settlement, city, republic city, or district, which the state considers it necessary to transfer to municipal property in order to ensure the socioeconomic development of the unit of local self-government:

1) administrative buildings and means of transportation of the local self-government organs, other property necessary for their self-governing activity, and the state housing fund administered by republic cities and districts are transferred to municipal property;

2) property of institutions of public education, public health, and recreational and city management, cultural institutions, and passenger transportation and communications enterprises of local significance may be transferred to municipal property;

3) other property determined by the Estonian Republic Government, whose transfer to municipal property meets the criteria indicated in the present article may also be transferred to municipal property.

(2) Property owned by the state that is necessary for state support for the socioeconomic development of the Estonian Republic as a whole may not be the object of municipalization.

(3) An object of municipalization is property owned by cooperative and public organizations which, because of reorganization or liquidation of the cooperative or public organization or without this, is transferred to municipal property based on the interests of the members of the cooperative or public organization as population of the corresponding administrative territory.

(4) Municipalization of the land and other natural objects is carried out under the conditions and according to the procedure envisioned by the Estonian Republic law on the land.

Article 22. Subjects of Municipalization.

(1) Authorized subjects of municipalization are self-government organs of the volost, urban settlement, city, republic city, and district which have the right to submit demands or petition for transfer to municipal property of property located on their territory which is owned by the state. Until there is legal recognition of the self-governing status of the volost, urban settlement, or city according to the procedure set by legislation of the Estonian Republic, the authorized subjects with respect to the property transferred to their municipal property are the district self-government organs.

(2) The acknowledged subjects of municipalization are the state organs that are obliged, under the conditions and according to the procedure established by legislation, to turn state-owned property over to municipal property, the cooperative or public organization that is obliged to turn its property over to municipal property in keeping with an agreement, and district self-government organs that, according to Article 25, are obliged to take property that has been turned over to them and turn it over to self-government organs of the primary level.

Article 23. Procedure for Municipalization.

(1) State property is transferred to municipal property free of charge, and the property of the cooperative or public organization according to the agreement concluded between the cooperative or public organization and the local self-government organ free of charge or for the appropriate payment.

(2) Property indicated in point 1 of Part 1 of Article 21 of the present law is transferred to municipal property under a document drawn up by the Estonian Republic Department of State Property and the local self-government organ to which the property is being transferred.

(3) The property of state enterprises, institutions, and organizations indicated in points 2 and 3 of Part 1 of Article 21 of the present law is transferred to municipal property according to the lists and the procedure approved by the Estonian Republic Government.

(4) Property of a cooperative or public organization is transferred to municipal property according to an agreement concluded between the local self-government organ and the cooperative or public organization, unless otherwise stipulated by legislation.

(5) Property indicated in Part 6 of the present article which is now owned by the state and is needed for the social and cultural service of the local administrative unit is transferred for the corresponding payment to municipal property at the suggestion of the local self-government organ on the basis of a decision of the Estonian Republic Supreme Soviet. The list of this property is approved by the local self-government council, and the party currently in possession of the property is notified of this. From the moment of the approval of the list of this property, transactions involving property included on the list is prohibited, and transactions completed in violation of this ban are considered invalid.

(6) According to the procedure established in Part 5 of the present article, the transfers are as follows:

1)..... 2)..... 3)..... 4).....

Article 24. Transfer of Property Rights During Municipalization of Property.

(1) The right to own the property indicated in point 1 of Part 2 of Article 21 is transferred from the moment of the signing of the document indicated in Part 2 of Article 23.

(2) The right to own the property indicated in points 2 and 3 of Part 2 of Article 21 is transferred from the moment the corresponding decision is made by the government of the Estonian Republic.

(3) The right to own the property transferred to municipal property by a cooperative or public organization under an agreement is transferred from the moment the property is transferred unless otherwise stipulated in the agreement.

Article 25. The District Ispolkom as the Manager of the Municipal Property at the Primary Level.

Until the legal recognition of the self-government status of the volost, urban settlement, and city, their property

that is transferred to municipal property is accepted and managed by the district ispolkom which:

1) can expropriate this property, lease it, or use it free of charge, reorganize or liquidate enterprises, institutions, or other organizations only with the permission of the corresponding volost, settlement, or city council and in coordination with the government of the Estonian Republic;

2) must provide for preservation and use of this property guided by the interests of the volost, urban settlement, or city;

3) must transfer this property to the volost, settlement, or city council within a month from the day of the recognition of the self-government status of the volost, urban settlement, or city.

Article 26. Property Transferred to the Ownership of the District.

(1) Only property necessary for the activity of the district self-government organs and the general needs of the population of the district is transferred by the state to the municipal property of the district.

(2) The interests of the unit of local self-government of the primary level must take priority over the interests of the district if there is no weighty reason for the opposite decision.

(3) With the transfer to municipal property of property used for the general needs of the population of the district, the common property of several self-government units of the primary level should take priority over the property of the district.

Article 27. Municipalization of Property Expropriated Mandatorily.

Property expropriated mandatorily may be transferred to municipal property. In this case the obligation to return the property is transferred to the local self-government organ. Property controlled by the district ispolkom and subject to transfer to the volost, urban settlement, or city is returned by the district ispolkom to the previous owner according to the procedure envisioned by legislation. The restrictions listed in point 1 of Article 25 are not applied in this case.

Article 28. Municipalization with Mandatory Privatization.

(1) Upon approving the list of property subject to privatization (Part 3 of Article 23), the government of the Estonian Republic may envision the obligation of a local self-government organ to privatize the municipal property turned over to it within a certain period, which should not exceed five years.

(2) In the event that this obligation is not met, the Estonian Republic Department of State Property has the right to carry out the privatization itself at the expense of

the unit of self-government, and all revenue acquired from this goes into the state budget.

Article 29. The Legal Status of Organizations Transferred to Municipal Property.

(1) Local self-government organs determine the legal status of enterprises, institutions, and other organizations turned over to them within three months of the time the right to ownership goes into effect.

(2) In the event of failure to meet the demands listed in Part 1 of the present article, the government of the Estonian Republic has the right to change its decision made on the basis of Part 3 of Article 23.

Article 30. Resolution of Disputes Related to Municipalization.

(1) Disputes related to the transfer of state property to municipal property are resolved:

1) for property indicated in point 1 of Part 1 of Article 21 of the present law, through the courts;

2) for property indicated in points 2 and 3 of Part 1 of Article 21 of the present law, according to the procedure established by the Estonian Republic Supreme Soviet.

(2) Disputes related to the transfer of property indicated in Article 25 by the district ispolkoms to self-government organs at the primary level are resolved by the government of the Estonian Republic.

(3) Disputes related to the fulfillment of agreements concluded between cooperative or public organizations and local self-government organs concerning the transfer of property to municipal property are resolved through the courts.

(4) Disputes related to the fulfillment of commitments indicated in Part 2 of Article 28 are resolved by the government of the Estonian Republic.

IV. Privatization

Article 31. The Concept of Privatization.

Privatization is the sale or other transfer of state or municipal property and the property of cooperative and social organizations during the course of the property reform to the property of physical persons or to their common property or to the property of a cooperative organization or leasing enterprise consisting only of physical persons.

Article 32. The Object of Privatization.

(1) The object of privatization is the state or municipal property which is not needed for the socioeconomic development of the Estonian Republic or local self-government units that are state or municipal property and also property of cooperative and social organizations that is subject to privatization because of the reorganization or liquidation of these organizations.

(2) The object of privatization is basically the total property which, in the understanding of the present law, is the property of a technologically integral economic unit of an enterprise or its structural subdivision.

(3) Privatization of various kinds of integral property is carried out, taking into account the peculiarities of the objects, according to the procedure established by the government of the Estonian Republic.

(4) Privatization of land and other natural objects is carried out under the conditions and according to the procedure established in the law on land of the Estonian Republic.

Article 33. Subjects of Privatization.

(1) The authorized subjects of privatization are physical persons residing permanently in the Estonian Republic or joint-stock or other economic societies based on their common property, which are registered in the Estonian Republic, and also cooperative organizations (with the exception of kolkhozes) and leasing enterprises consisting solely of the aforementioned physical persons.

(2) Legislation of the Estonian Republic may limit the range of authorized subjects and it may also impose additional requirements or establish privileges.

(3) Acknowledged subjects of privatization are state organs that are obligated, under the conditions and according to the procedure established by legislation, to privatize property owned by the state and local self-government organs which are obligated, in the case envisioned in Article 28, to privatize property turned over to municipal property.

Article 34. Organization of Privatization.

(1) Privatization of state property is organized by the government of the Estonian Republic, which determines the objects subject to privatization unless otherwise stipulated by a normative act of the Estonian Republic.

(2) Privatization of municipal property is organized by the ispolkom of the volost, urban settlement, city, republic city, or district, which draws up the list of privatized property and submits it for the approval of the council of the corresponding administrative unit.

(3) Cooperative and public organizations organize the privatization of their own property in keeping with normative acts of the Estonian Republic and their higher management organs.

(4) Depending on the objects subject to privatization, the privatization is conducted in stages. The fundamentals of privatization of various kinds of objects are determined by the Supreme Soviet of the Estonian Republic.

Article 35. Forms of Privatization.

(1) The main form of privatization is the sale of integral pieces of property.

(2) The sale of both integral and other property may be conducted in all forms that do not contradict legislation of the Estonian Republic.

(3) Laws and other normative acts of the Estonian Republic may also envision other forms of privatization in addition to sale.

Article 36. Public Bonds.

(1) Under the conditions and according to the procedure envisioned by legislation of the Estonian Republic, individuals residing permanently in the Estonian Republic may be issued public bonds whose value depends on the length of time they have lived and worked in Estonia.

(2) The public bonds are assigned to a specific person and may be passed on through inheritance. They may be used only for the acquisition of privatized property.

Article 37. Priorities and Privileges in Privatization.

(1) The holder of a security issued in keeping with Article 17 has a preferential right to acquire property subject to privatization in exchange for the security. The first right to purchase goes to the previous owners or their heirs (Article 8) if the property subject to privatization could not be returned to them on the basis of Part 2 of Article 11 of the present law or was created on the basis of this property or part of it.

(2) Upon privatization, the government of the Estonian Republic may grant additional benefits to workers of the privatized enterprise or its subdivision and to the local population with respect to property privatized on a given administrative territory and also to holders of public bonds.

(3) The government of the Estonian Republic may give individuals indicated in Part 1 and point 2 of Part 2 of the present article benefits in acquiring privatized property.

Article 38. Privatization of Kolkhoz Property.

Privatization of kolkhoz property is carried out according to the procedure envisioned by legislation of the Estonian Republic.

Article 39. Participation of Foreigners in Privatization.

(1) Citizens of foreign countries and corporate bodies based on private capital and citizens without citizenship (henceforth foreigners) may purchase property sold during the course of privatization, including enterprises and their structural subdivisions, as integral property.

(2) A foreigner must notify the Estonian Republic Department of State Property of his desire to purchase property, with an indication of the nature of the property desired or the specific object, the proposed price, and the program of action if the purchase is made, and also information about himself (name, address, and, for a corporate body, also notarized charter documents).

(3) The Estonian Republic Department of State Property compiles a list of privatized property offered for sale to foreigners and submits it to the government of the Estonian Republic for approval.

(4) The Estonian Republic Department of State Property, on the basis of information received from Part 2 of the present article, compiles a register of foreigners and, in conjunction with the Bank of Estonia, organizes for them the sale of the objects approved by the government of the Estonian Republic through an auction, competition of commercial ideas, or the sale of shares.

(5) Property is sold to foreigners only for freely convertible currency.

(6) Foreigners who have received the corresponding invitation from the Estonian Republic Department of State Property participate in the auction, competition of commercial ideas, or sale of shares.

(7) The auction, competition of commercial ideas, and sale of shares are organized according to the procedure established by the government of the Estonian Republic.

(8) All other conditions being equal, in privatization of property preference is given to citizens of foreign states, individuals without citizenship, and their children who, as of 16 June 1940, were citizens of the Estonian Republic.

(9) The conditions presented in the present article also apply to joint-stock and economic companies registered in the Estonian Republic and based on private capital, in which the share of foreign capital in the fixed capital is more than 30 percent.

Article 40. Resolution of Disputes Related to Privatization.

(1) Disputes related to privatization of state property are resolved by the government of the Estonian Republic or according to the procedure established by it unless otherwise stipulated by legislation of the Estonian Republic.

(2) In cases stipulated by legislation disputes are resolved through the courts.

V. State Reapportionment

Article 41. State Reapportionment of Property.

(1) State reapportionment of property as understood in the present law is the return free of charge of state property that had been transferred to the ownership of the Estonian Republic from the property of cooperative, state-cooperative, and public organizations.

(2) Reapportionment of property is carried out according to the procedure established by the Estonian Republic Supreme Soviet, and disputes related to the demand for the return of property are subject to judicial resolution through a court case brought by one of the parties.

Alternative Concept II

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in Russian 15 May 91 p 3

["Normative Concept II" (Chapter II.) of the Estonian Republic law: "On the Fundamentals of Property Reform"]

[Text]

II. Return and Compensation for Illegally Expropriated Property

Article 6. The Concept of Illegal Expropriation of Property.

(1) Illegal expropriation of property is seizing property from the owner against his will or placing him in a condition in which, because of a real threat of repression (Part 3), he is forced to relinquish or abandon his property. Expropriation is illegal if the expropriation is based on illegal decisions or results from arbitrary behavior by officials.

(2) In the present law illegal expropriation of property is considered to be nationalization, collectivization, and also expropriation of property during the course of illegal repressions, including mass repressions, or by other means that meet the criteria indicated in Part 1 of the present article, during the period from 16 June 1940 through 31 March 1961.

(3) Illegal repression as understood in the present law is both repression by a court decision and nonjudicial repression in the form of the death penalty, incarceration, exile, expulsion, or deportation illegally or in a way subsequently determined to be illegal.

(4) The return of or compensation for illegally expropriated property is carried out on an individual basis, regardless of the method of illegal expropriation of property indicated in Part 2, with the exception of that indicated in Part 5.

(5) With respect to decollectivization and also the return of real estate and compensation for them, the present law is applied unless otherwise stipulated in a different law of the Estonian Republic.

(6) The object of the property reform is only property illegally expropriated on the territory of the Estonian Republic, with the exception of illegally expropriated property during the period when the territory was not under the jurisdiction of the Estonian Republic or the Estonian SSR.

Article 7. Previous Owners of Illegally Expropriated Property as the Authorized Subject of the Property Reform.

The following are authorized to demand the return of and compensation for illegally expropriated property:

1) physical persons whose property was nationalized or collectivized during the course of collectivization, and also individuals whose property was expropriated during the course of illegal repressions who have now been rehabilitated, under the condition that they are residing permanently on the territory of the Estonian Republic at the time the present law goes into force;

2) physical persons whose property was illegally expropriated on the basis of illegal decisions or as a result of arbitrariness on the part of officials, if they are permanently residing on the territory of the Estonian Republic at the time the present law goes into effect and if the illegality of the decision or the arbitrariness of the official has been proved in court;

3) physical persons who are the heirs of individuals indicated in points 1 and 2 of the present article in the understanding and under the conditions indicated in Article 8 of the present law;

4) corporate bodies that are the owners of illegally expropriated property and their successors in the understanding and under the conditions indicated in Article 9 of the present law;

5) units of self-government that have been given, in keeping with the law of the Estonian Republic on the fundamentals of local self-government, the status of a volost, urban settlement, city, or republic city, on whose territory illegally expropriated property which was previously municipal property is located;

6) the Estonian Republic with respect to property owned by the Estonian Republic as of 16 June 1940.

Article 8. Heirs as the Authorized Subjects of Property Reform.

(1) In the event of the death of the owner of the illegally expropriated property, the authorized subjects of property reform are the parents (adoptive parents), husband (wife), and children of the previous owner in equal proportions.

(2) In the present law the only people considered to be heirs are those indicated in Part 1 of the present article. In the event of the death of the heir of the previous property owner, his heirs do not have the right to petition for the share of the inheritance due to him, with the exception of cases where they are the grandchildren of the previous property owner.

Article 9. Legal Successors of Corporate Bodies as Authorized Subjects of Property Reform.

(1) As the legal successor of a corporate body that is the owner of illegally expropriated property and was registered in the Estonian Republic before 16 June 1940, a corporate body is an authorized subject of the property reform only if the succession in Estonia has not actually been interrupted.

(2) Authorized subjects of the property reform, as successors, may be corporate bodies registered in the Estonian Republic which are, according to the law of the Estonian Republic, the owners of this property.

(3) The court recognizes a corporate body as the legal successor and resolves disputes among several corporate bodies petitioning for legal succession.

(4) A corporate body whose charter determines the legal succession does not have the right to demand the return of illegally expropriated property before the court decision on legal succession goes into effect.

Article 10. Procedure for Recognizing the Legal Succession of a Corporate Body.

(1) Having received from the corporate body an application for recognition as the legal successor of a corporate body registered in the Estonian Republic before 16 June 1940, the court publishes the corresponding announcement in the newspaper within 10 days.

(2) All individuals with objections to the application must notify the court of this within three months of the day of the publication of the announcement.

(3) The court must invite all individuals indicated in Parts 1 and 2 of the present article to the consideration of the case.

(4) The application indicated in Part 1 of the present article must be submitted to the court in the location of the previous corporate body.

Article 11. Return of Illegally Expropriated Property.

(1) The state, local self-government organs, and corporate and physical persons that have possession of illegally expropriated property must return it to the legally authorized subjects.

(2) Illegally expropriated property is not subject to return in the following cases:

1) if the property has not been retained in its previous individualized form;

2) if the property is owned in good conscience by a physical person;

3) if the property is a residential building in the possession of the state, a corporate body, or municipality which is being used by physical persons as a leased residence.

Alternative: Add to Point 3: ...with the exception of when the return of the building is demanded by the previous owner who is living with his family in this building or has expressed a desire to move into this building with his family and if the organ of local self-government guarantees to the lessees living in the building a well-arranged separate apartment whose floor space is no less than that of the apartment in which they are living (lessees whose apartment floor space was less than the existing norm for dwelling space are given a

well-arranged separate apartment taking into account the existing norm for dwelling space). For the indicated period the lessees in the returned building retain the apartment rent and payment for utilities established by the state:

4) if the apartment is on territory not under the jurisdiction of the Estonian Republic;

5) if, in the opinion of the state organ or organ of local self-government, the return of the property causes harm to the economic or other interests of the Estonian Republic or the unit of local self-government.

(3) The question of the return of property is decided by the government of the Estonian Republic or the executive organ of the local self-government according to the procedure established by the government of the Estonian Republic.

(4) The government of the Estonian Republic or the executive organ of the local self-government, upon the return of the property, may stipulate that this property must be used for its previous specific purpose. This is provided for according to the agreement that was concluded.

Article 12. Compensation for Illegally Expropriated Property.

(1) If the illegally expropriated property is destroyed or it is not returned on the basis of Part 2 of Article 11 of the present law, it is compensated for from the compensation fund. Physical or corporate persons and local self-government organs that have possession of unclaimed illegally expropriated property and also physical and corporate persons and local self-government organs in whose possession the property was destroyed or otherwise lost, are not obligated to pay compensation.

(2) Compensation for property is made to individuals indicated in points 1-3 of Article 7. Compensation is not paid to other previous owners or their successors.

(3) The amount of the compensation is

(4) The source of the payment of the compensation is the compensation fund whose resources are formed from sums collected during the course of privatization.

(5) Compensation is made in the form of a monetary sum (solidarity payment) paid monthly which is equal to the subsistence minimum in effect in the Estonian Republic during the given period.

Article 13. Return of or Compensation for Collectivized Property.

(1) The return of or compensation for (collectivized) property which was collectivized during the course of the creation of the kolkhozes is carried out on the same basis unless otherwise stipulated by the present law or other laws of the Estonian Republic.

(2) The register of collectivized property and its former owners is drawn up in the form of an individual register indicated in Article 16.

(3) If it is impossible to return the collectivized property, it is compensated for:

1) by the kolkhoz during the course of whose creation the property was collectivized, and if the kolkhoz has been reorganized, by a kolkhoz which includes the kolkhoz created during the collectivization;

2) by the state if the kolkhoz created during the collectivization of property has been reorganized into an enterprise based on state property or if the kolkhoz has no legal successor or it is impossible to establish who it is;

3) by another corporate body instituted during the reorganization or liquidation of the kolkhoz if it is the successor of the kolkhoz or part or all of the kolkhoz property has been transferred to it.

(4) Shares or collectivized property returned by the kolkhoz or compensation made in value or in kind is subject to accounting with the compensations indicated in Part 3 of the present article.

(5) If the authorized subject is a member of a small village farm, in keeping with the Estonian Republic law on small village farms, he has the right to priority over other people in obtaining compensation in kind.

(6) Collectivized property may be returned before the date indicated in Part 2 of Article 17 if the authorized subject is a member of the small village farm under the conditions stipulated in Part 5 of the present article. The corresponding decision is made by the kolkhoz or other nonstate corporate body if it owns or has possession of the property, or by the Department of State Property of the Estonian Republic if the property is in the possession of the state.

Article 14. Peculiarities of the Return or Compensation for Property of Foreign States, Their Corporate Bodies and Citizens, or Individuals Without Citizenship.

Petitions of foreign states, their corporate bodies and citizens, and individuals without citizenship for the return or compensation for property belonging to them which is in the possession of the Estonian Republic, are resolved by an agreement between the Estonian Republic and the corresponding state.

Article 15. Peculiarities of the Return or Compensation for Nationalized Real Estate.

The present law applies to the return of or compensation for nationalized real estate unless otherwise indicated by the decree of the Estonian Republic Supreme Soviet of 20 December 1990 "On Land Reform" and the Estonian Republic law on the land.

Article 16. The Submission and Accounting for Applications for Return of or Compensation for Illegally Expropriated Property.

(1) Individuals who are authorized subjects of the property reform or their representatives submit applications for the return of or compensation for illegally expropriated property to the district or city ispolkom in the place where the property is located within a year after the day the present law goes into effect with the documents concerning ownership and the composition and value of the property appended to them.

(2) If, by the day the present law goes into effect, the individuals indicated in points 1 and 2 of Article 7 of the present law are not rehabilitated or the illegality of the decision or the arbitrariness of the officials have not been proved in the courts, they or the individuals indicated in Part 1 of Article 8 of the present law have the right to submit the application indicated in Part 1 of the present law within a year after the day they receive their certificate of rehabilitation or the corresponding court decision goes into effect.

The indicated individuals have the right within six months to submit a petition for rehabilitation or to appeal to the court for proof of the illegality of the decision or the arbitrariness of the officials.

(3) The procedure for submitting applications, their consideration, the presentation of proof, and their evaluation is established by the government of the Estonian Republic.

(4) On the basis of the applications that are submitted, the government of the Estonian Republic compiles a register of the previous owners and their property.

Article 17. The Procedure for Return of and Compensation for Illegally Expropriated Property.

(1) The illegally expropriated property is established on the basis of the register indicated in Part 4 of Article 16 of the present law.

(2) The illegally expropriated property is returned after the compilation of the register of previous owners and property on the basis of a decision of the government of the Estonian Republic or the executive organ of the local self-government in observance of the provisions of Article 11 of the present law and according to the procedure established by the government of the Estonian Republic.

(3) Compensation for illegally expropriated property is made in the amounts and according to the procedure established in Article 12 of the present law.

(4) A demand for return of or compensation for illegally expropriated property may not be made against property that has already been returned or compensated for.

Article 18. Transactions with Illegally Expropriated Property.

Until resolution of the question of the return of illegally expropriated property it is prohibited for the state, corporate bodies, or local self-government organs to sell this property or transfer it to private ownership, and transactions concluded in violation of this prohibition are considered invalid.

Article 19. Resolution of Disputes Related to Return of or Compensation for Illegally Expropriated Property.

Disputes arising in connection with the return of or compensation for illegally expropriated property are resolved in the courts.

Law on Republic Extra-Budgetary Fund

91US0582A Bishkek SLOVO KYRGYZSTANA
in Russian 27 Mar 91 p 1

[“Law of the Republic of Kyrgyzstan on the Creation of an All-Republic Extra-Budgetary Fund for Stabilizing the Economy of the Republic of Kyrgyzstan”—SLOVO KYRGYZSTANA headline]

[Text] With a view to ensuring the stability of the national economy of the Republic of Kyrgyzstan in the environment of a transition to a market economy, the Supreme Soviet of the Republic of Kyrgyzstan **resolves**:

Article 1. To form in 1991, a republic extra-budgetary fund for stabilizing the economy with revenues of 730.8 million rubles [R], including at the expense of the following:

- withholdings in the amount of the difference between the standard rate of social security contributions established by the Resolution of the USSR Supreme Soviet on Procedures for Enacting the USSR Law: “On Retirement Benefits for the Citizens of the USSR” and the standard rate confirmed for 1991 by the Ukase of the USSR President, dated 4 October 1990, on Priority Measures for a Transition to Market Relations (11 percent) on enterprises, associations, and organizations of all property forms (with the exception of those financed from the budget), which are situated in the territory of the republic, in an amount of R368 million;
- 20 percent of the total of amortization withholdings for the complete replacement of the fixed assets of enterprises and organizations of all property forms, with the exception of the enterprises and organizations reporting to the Union and those of the agro-industrial complex, in an amount of R46.4 million;
- funds generated by the buy outs, by labor collectives, of the assets of state enterprises and organizations situated in the territory of the republic, at the expense of 50 percent of the balance of the fund of economic incentives as of 1 December 1990 (without detriment to the payment of bonuses based on the results of operations for the year)—R316 rubles;
- 20 percent of the funds generated by the buy out of the assets of state enterprises and organizations reporting to the republic, and from other sources—R0.4 million

Article 2. To contribute in 1991, the profits of enterprises and organizations generated by increasing contract prices for products (work, services) in excess of the established ceilings on profitability, to the all-republic extra-budgetary fund for stabilizing the economy

Article 3. To restore in 1991, special accounts of enterprises for depositing and using amortization withholdings for retrofitting, with a view to ensuring their use for this specific purpose, and taking them into account in financing capital investment

Article 4. To establish total expenditures of the all-republic extra-budgetary fund for stabilizing the economy of the Republic of Kyrgyzstan at R930.8 million, out of which R631 million is to finance capital investment; R99.8 million is for financial support (subsidies) for enterprises in individual sectors of the national economy which experience difficulties in a period of transition to market relations for reasons beyond their control; R200 million is for the transfer of funds to the all-Union stabilization fund.

Article 5. To envisage that the excess of expenditures over revenues in an amount of R200 million be covered from the republic budget.

Article 6. The Republic of Kyrgyzstan Ministry of Finance shall disburse expenditures from the all-republic fund for stabilizing the economy as revenues are actually taken in.

[Signed] President of the Republic of Kyrgyzstan A. Akayev

City of Frunze, 31 January 1991

Decree on Economic, Social Development

914A0869A Bishkek SLOVO KYRGYZSTANA
in Russian 2 Apr 91 p 3

[“Resolution of the Republic of Kyrgyzstan Supreme Soviet on the Main Directions for Economic and Social Development of the Republic of Kyrgyzstan in 1991”—SLOVO KYRGYZSTANA headline]

[Text] The socioeconomic development of the national economy of the republic has proceeded in an unstable manner this year, which is associated with social processes under way in the country involving the restructuring of the relations of production and a transition to a regulated market economy.

In 1991, the implementation of measures aimed at averting the further progress of crisis phenomena, stabilizing the economy and the social sphere, and ensuring favorable changes in the socioeconomic development of the republic should be the focus of attention. The measures will be based on the Basic Directions for Stabilizing the National Economy and Making a Transition to a Market Economy, adopted by the USSR Supreme Soviet on 19 October 1990.

Having considered and discussed indicators in the draft Main Directions for the Economic and Social Development of the Republic of Kyrgyzstan in 1991, the Supreme Soviet of the Republic of Kyrgyzstan **resolves**:

1. The Cabinet of Ministers of the Republic of Kyrgyzstan shall ensure the implementation of the Main Directions for the Economic and Social Development of the Republic of Kyrgyzstan in 1991, taking into account proposals and remarks made by the permanent commissions of the Supreme Soviet and people's deputies of the Republic of Kyrgyzstan.

2. To set the following most significant objectives and priorities for 1991:

- to cure financing and monetary circulation by means of reducing the deficit of the republic budget, overcoming the emission of currency, restructuring the banking system, and putting enterprise finances in order;
- to balance the incomes and expenditures of the populace; to give preferences to the production of consumer goods, and to restore and normalize the consumer market on this basis;
- to stabilize mutual deliveries and to prevent a decline in the volume of production;
- to denationalize and privatize property, and to implement land reform;
- to take various measures aimed at controlling prices, including a temporary freeze on consumer staples in the event of their excessive growth, and the introduction of rationed distribution of consumer staples, with producers and trade being compensated from the budget for losses entailed by this, and the implementation of measures aimed at the social protection of the incomes of the population;
- to give additional rights to develop stimuli for the operation of enterprises and organizations of the social sphere which are maintained with budget funds, and to carry out ecological programs and environmental conservation measures.

3. To instruct the Cabinet of Ministers of the Republic of Kyrgyzstan to prepare a government program for the development of the agro-industrial complex and for the

social development of rural areas, and to submit it for consideration to the Supreme Soviet of the Republic of Kyrgyzstan in 1991.

4. With a view to ensuring equilibrium in the development of the national economy and to accomplishing socioeconomic tasks, to find it necessary that the following main indicators of the economic and social development of the Republic of Kyrgyzstan be attained (as percentages of the estimated 1990 fulfillment)

Produced national income (in 1983 prices)—103.8

Volume of industrial output (prices as of 1 Jan 1991)—103.0

—out of which objects of consumption—106.1

Production of consumer goods (1990 retail prices)—107.5

—out of which foodstuffs—106.8

Gross product of agriculture—106.7

Volume of retail sales—110.3

Volume of paid services rendered (prices as of 1 Jan 1991)—106.1

Profits in the territory (prices as of 1 Jan 1991)—102.9

Overall volume of capital investment in the national economy from all sources of financing (prices as of 1 Jan 1984) (as a percentage of the plan)—110.0

5. With a view to the further reinforcement of the material-technical facilities of the sociocultural sphere, to ensure the commissioning of the following in 1991 in the republic as a whole, at the expense of all sources of financing:

	Total	Out of which in rural areas	Percent
Overall floor space in residential buildings, 1,000 square meters	1,910	985	52
Pre-school facilities, 1,000 slots	10.0	5.32	62
General school, 1,000 student slots	37.2	23.7	64
Hospitals, 1,000 beds	0.80*	0.48	59
Clubs and houses of culture, 1,000 seats	4.0	4.0	100
Boarding house slots for the aged and the handicapped	400	400	100
Water mains, kilometers	510	430	84

6. With a view to ensuring the fulfillment of the planned indicators and measures to develop the national economy of the Republic of Kyrgyzstan in 1991, to instruct:

a) the leaders of soviets of people's deputies, ministries, and departments, enterprises and organizations—to facilitate in every way possible the successful operation of labor collectives in ensuring social protection and an

increase in the standard of living, by taking advantage of the opportunities given to them by the laws of the USSR and the Republic of Kyrgyzstan for influencing the efficiency of public production through the processes of privatization, leasing, and economic and financial influence.

b) law-enforcement organs (the Ministry of Justice, the Procuracy, the Ministry of Internal Affairs, the Supreme

Court, the State Arbitration, the KGB)—to seek universal compliance and execution of the USSR and Republic of Kyrgyzstan legislation in effect, which is associated with the restructuring of the system of relations of production, and to take the strictest measures against violators within the framework of the law;

c) the deputies of the Republic of Kyrgyzstan—to take necessary measures locally in order to carry out the resolutions of the USSR and Republic of Kyrgyzstan congress and Supreme Soviet, as well as the instructions of voters;

d) the Republic of Kyrgyzstan Cabinet of Ministers:

—to submit to the Republic Supreme Soviet an analytical memorandum on the compliance of the indicators of economic and social development of the Republic of Kyrgyzstan in 1991 with the adopted program for economic stabilization and a transition to a market economy;

—to review specific remarks and proposals made by deputies in the discussion of the main indicators of the economic and social development of the Republic of Kyrgyzstan in 1991, and to make pertinent decisions based on them;

—to communicate, within two weeks, the main indicators of the economic and social development of the national economy to executors and to the local soviets of people's deputies;

—to authorize, if necessary, the making of specific revisions in the capital construction plan, taking into account the issuance of new normative documents which reflect current changes in the cost of construction;

—to find opportunities for making centralized funds available to preschool facilities on collective and state farms of the republic.

7. To recommend that the Cabinet of Ministers of the republic set the 1991 state requisitions for the delivery of cattle by producers of agricultural goods to industrial processing at 85 percent (of the actual 1990 level), including 58,400 tons (in slaughter weight) to the Union-republic fund; 92 percent for milk; and for potatoes, fruits, berries, vegetables, grapes, and melon crops, 75 percent of the volume of commodity production (plan for 1990).

To instruct oblast and rayon soviets of people's deputies to take measures aimed at improving the supply of foodstuffs to the populace with local resources.

8. To entrust to the Cabinet of Ministers the monitoring of the fulfillment of the indicators of social and economic development in 1991, as well as the submission of periodic reports on the economic situation to the Republic of Kyrgyzstan Supreme Soviet.

[Signed] *Chairman of the Republic of Kyrgyzstan Supreme Soviet M. Sherimkulov, City of Frunze, 31 January 1991*

New Law on Police Force Described

91UN1822A Riga NEATKARIGA CINA in Latvian
10 May 91 p 1

[Interview with Chairman of the Latvian Supreme Soviet's Committee for Defense and Internal Affairs Talavs Jundzis by Mintauts Ducmanis: "There Will Be a *Politsiya*"]

[Text] Real life has convinced us that the most important attribute of state power under any circumstances is a reliable and professionally trained *politsiya* (or *militsiya*—the term itself does not change the essence of the matter). The laws and decrees passed by the Latvian state will never acquire true meaning unless there are armed men endowed with necessary rights and responsibilities, and entrusted with ensuring security and order in their country. It is for this very reason that the Latvian Republic Law on the *Politsiya*—the draft of which was reviewed and accepted this week in its second reading by the deputies of the Supreme Soviet—must be considered especially important, and expeditiously implemented. It appears that on 21 May, after some final adjustments, it will be passed in its final version. Admittedly, as the chairman of the Supreme Soviet's Committee for Defense and Internal Affairs, Talavs Jundzis, commented on the bill, it can only take effect in spring 1992 at the earliest.

[Jundzis] For, unlike other laws, in order to effect the *politsiya* law, a huge amount of organizational and procurement work must be done, and a whole series of normative acts pertaining to this law still has to be passed. The production of the new uniforms will also require time—after all, the *politsiya* can't very well walk around looking like USSR *militsiya*. About a year will pass before structural and personnel reorganization can be completed.

[Ducmanis] The Law on the *Politsiya* seems to also have an expressly political nature. Might not the question of equipping them with arms come sharply to the fore?

[Jundzis] Yes. This is evident, for example, from the latest news out of Armenia, where they are settling accounts with members of the Armenian *militsiya* who defend the interests of the legally elected government and peaceful inhabitants. Moscow has generally taken a very contradictory position with regard to republic *militsiya*: On the one hand, it is supposedly ready to grant almost complete autonomy; on the other hand, weapons continue to be under the control of the USSR Ministry of Internal Affairs. For now, as far procurement of weapons goes, we are completely dependent on the will of Moscow. The matter of arms is and surely will be very complicated. Even now, Latvia's *militsiya* lacks arms—and the new *politsiya* that is to be formed will require even more. Only political talks can help here. But the production of other technical means for the *politsiya*, including handcuffs and nightsticks, could be begun by our own republic enterprises.

In reviewing the bill, the question of a municipal *politsiya* became central. Mr. Silars and other deputies have a point when they argue that there is no need for a municipal *politsiya* in the first place, for under the current circumstances, what is needed is a well trained and equipped centralized state *politsiya*, not a scattered one. However, the reality of the situation is that in many places, local *politsiya* have already formed or are now being formed. Moreover, at this time people are not psychologically inclined enter into *militsiya* service. The municipal *politsiya* could serve as a temporary preparatory foundation for the future state *politsiya*. For this reason, in the end it was decided that local municipal governments may organize local *politsiya* having the duties of auxiliary *politsiya* or protectors of public order. Practice will show how appropriate this is to Latvia's situation. Of course, at this time there can be no discussion about equipping municipal *politsiya*—who have no professional training—with arms. Presumably, as soon as there are new *politsiya* uniforms, and the *politsiya* law begins to be implemented, the idea of a municipal *politsiya* will lose its appeal.

Sajudis Calls For Support of Government

91U N17584 Vilnius LIETUVOS AIDAS in Lithuanian
2 May 91 p 2

[An Appeal by Sajudis' Sixth Session of the Sejm by Chairmen M. Kalvaitiene and V. Zabiela: "An Appeal By Lithuania's Sajudis Sixth Sejm Session"]

[Text] Lately in Lithuania an open declaration of opposition has been declared against the legally elected Supreme Council

The activities of the Future Forum and the confederation of Free trade unions raise a new wave of social opposition during this period of complicated relationship with the USSR, privatization, agricultural reform. The energy driving this process is the once privileged class of ruling functionaries who still have a real impact on the economy, especially in agriculture. The Soviet Union continues to pressure Lithuania through political and economic methods, as well as military force. It uses these activities to return Lithuania into the disintegrating structure of the Soviet empire. What is expressed here is a dissatisfaction with the foreign policy of our government, especially with the USSR, prompting a social distrust of future economic decisions.

Citizens of the Lithuanian Republic, to all to whom independence is and democratic ideals are dear, let us not be fooled! Beneath the proclaimed moderation and the invitation to all to associate with them really hides the old rulers' wish to return the government into the hands we all recognize so well.

The efforts of our elected leadership alone are not enough to make sure Lithuania's political and agricultural reforms continue. What is necessary is that society actively participate and make use of the opportunities actualized by law

We invite you all to rally around Sajudis so that we will be able to reach our most important goal—a completely free and democratic Lithuania.

Vilnius, April 27, 1991

Military Recruitment Efforts in Republic

91U N1758B Vilnius LIETUVOS AIDAS in Lithuanian
2 May 91 p 2

[Interview with J. Pauzuolis, the general deputy director of the Department of State Security, by Gintaras Miksiunas "The Commissars are Planning"]

[Text] The Soviet military commissariat in Vilnius sent out letters to young men inviting them, along with their parents, to an assembly point (Kapsu Street, No. 44) on May 25. There a meeting was to take place with Commissar Visockis

His theme: persuasion to serve in the occupation army. We, a couple of Lithuanian newspaper journalists, came

along too. The soldiers did not let journalists in. Perhaps because inside there were only 10 women and a few reserve officers

We talked about the Soviet efforts to take recruits with the General Deputy Director of the Department of State Security, J. Pauzuolis

[Pauzuolis] According to our latest information, recently a discussion took place at the republic's commissariat where all the district commissars attended, along with second section workers. There General Visockis presented plans for the call-up: during the spring to take 11,630 lads, this year, 29,600. Let's look at the last number. It is enlarged. In the past Lithuania has never given so many lads to the Soviet army. Apparently, they want to be compensated for last year's uncompleted quotas, thinking that they will be able to persuade those who boycotted last year's call-up

Now the Soviets are sending the lads and their parents letters to their homes which describe how Lithuania is transgressing Soviet laws when it does not carry out the President's order, and trying to persuade the young ones to go and serve in the occupation army. Such letters are being sent to all the districts. Besides that, the homes are being visited by commissariat representatives. I saw for myself how in Vilnius two men entered one citizen's apartment to question him about where their son was hiding now. They were pressured to think it over and without fail come to the military commissariat. These representatives also visit work places. In other words, those refusing to serve will be sentenced for one year.

[Miksiunas] Is there any news about whether this summer the lads will be hunted by the forces?

[Pauzuolis] Last fall a few were caught. It seems to me that those were not planned actions. The results show that those lads taken by force have been very few. Those they managed to persuade is how many came out, mostly from the eastern regions of Lithuania

There are no guarantees about whether they will use force this year. The commissars say that force will not be used. We do not have any information yet that they will act differently

The position of the country's Security Department is clear. Those lads who acknowledge Lithuania's laws, uphold the Parliament and the Government, cannot serve in the armed forces of a foreign country

[Miksiunas] The Supreme Council accepted all of the laws regarding service by youth in the country's security divisions. When will these lads be called to serve in the Lithuanian army?

[Pauzuolis] The laws have been passed. The law on conscription will go into effect when Parliament passes the resolution to put it into force

Republic Government Meets 29 May, Adopts Decisions

PM1306080591 Vilnius EKHO LITVY in Russian
1 Jun 91 pp 1,2

[ELTA report: "In the Republic Government"]

[Text] Questions of decisive significance in Lithuania's economic and political life were discussed 29 May at a routine government sitting with Prime Minister Gediminas Vagnorius in the chair.

Leonas Asmantas, minister of energy, presented a plan for the construction of a state oil enterprise in Klaipeda, or to be more precise, two options for one: the first envisages the reconstruction of the old enterprise in Melnrage, and the second the construction of a new one in Karklininkai. Everyone agreed that Lithuania definitely needs a modern enterprise capable of receiving tankers bringing 12 million tons of oil a year and delivering it to Mazeikiai. In the first case this would cost around \$250 million. Whereas the construction of a new enterprise would be far cheaper. The government members, city of Klaipeda and oil enterprise leaders, and scientists who spoke during the discussion took into consideration the conclusions and recommendations of experts from foreign firms and also assessed economic and nature protection factors and ecological aspects of the city itself and the development of a trading port, but did not make a definitive decision about the choice of location for an enterprise. It was decided to hold more consultations. However, the prime minister stated that this question must be conclusively resolved at the upcoming government sitting.

The Ministry of Economy, carrying out the instructions of the Supreme Council and the government, elaborated and presented two versions of a plan for the administrative division of the Lithuanian Republic as well as a plan for the formation of a Vilnius district. It was stated that the aforesaid plans should carry on being worked out in detail, having been supplemented with a third option, and that relevant decisions on the reorganization of the administrative running of the social and production infrastructure should be prepared. The government will ratify one of them by the end of 1992. The administrative arrangement can only be really changed before the next elections to the Supreme Council and local councils. At the same time questions were raised about extending the territories of large cities and preparing the status of the capital of the Lithuanian Republic—Vilnius. Plans concerning the territories of cities should be submitted to the government by 1 September of this year, and the plan for the status of Vilnius—by 15 June. The plans concerning the possibilities of forming a Vilnius district will be presented to the Supreme Council.

The Ministry of Economy also presented a draft resolution concerning the structure of the state order for 1991 and specifying its volumes. A resolution on this question will be adopted in the near future, when the ministries of economics, trade, and material resources present the

government with data about the balance of exports from Lithuania to the Soviet Union and imports into Lithuania of goods and other material resources. A new procedure has been adopted (for the second half of the year) for trade and for Lithuania to supply its own resources by extending the autonomy of enterprises. Ministries and departments have also been instructed to present information about the way enterprises in the sphere of their control are fulfilling state tasks.

The government has ratified rules for the privatization of installations that the population will buy in installments. A resolution was adopted on the conditions and procedure for remuneration of labor of convicted persons. A resolution was also adopted on the size of payments and the procedure for paying the initial installment in the construction of cooperative and individual houses (apartments).

A number of other questions were examined at the sitting.

By a government instruction N 347p dated 30 May, the validity of the second point of the instruction of the administrator of Vilnius Rayon N 112 dated 29 May, which prohibits police employees from protecting customs posts, was abrogated since this contradicts the Lithuanian Republic Law on the Police. The Council of Vilnius Rayon must ensure that point 2 of the aforesaid instruction is annulled.

Bearing in mind that Ignalina Nuclear Power Station, which sells electricity at prices established by the USSR State Committee on Prices, does not receive enough resources to cover expenditure on production, 968,000 rubles were allocated out of the Lithuanian Government reserve fund by government instruction N 334p dated 27 May to the fire prevention department at the Ministry of Internal Affairs to maintain a fire prevention force at this electric power station.

Brazauskas Sees 'Little Change' in Republic

91UN18824 Moscow ARGUMENTY I FAKTY
in Russian No 24, Jun 91 p 4

[Interview with Algirdas Brazauskas, deputy of the Supreme Council and chairman of the Lithuanian Democratic Labor Party, by I. Morzharetto: "Put Your Hopes in the West, But Do Not Mess Up Yourself"]

[Text] The appearance a few years ago on the political scene of Algirdas Brazauskas was treated guardedly by the central press. Yes, indeed, he was practically the first party leader nominated by the people. Then followed a brief period of eulogy which quickly gave way to acute criticism. PRAVDA recently devoted to him a big article which described him as a "rather shallow politician." This was not fortuitous, evidently—according to the data of sociological polls. A. Brazauskas, deputy of the

Supreme Council and chairman of the Lithuanian Democratic Labor Party, steadily occupies a leading position on the popularity list in Lithuania. Our correspondents interview him.

[Morzharetto] How are you addressed nowadays? By name and patronymic—this is not customary in Lithuania—simply by your first name would be overly familiar. "comrade" has been done away with, "Mr. Brazauskas," perhaps?

[Brazauskas] I personally do not care for this form of address. It is, indeed, a problem. By my office, as party chairman, perhaps?

[Morzharetto] Agreed. So, esteemed chairman, how do you evaluate today's situation in Lithuania and the alignment of political forces?

[Brazauskas] It is stagnation, however paradoxical this may sound, which worries me. We have adopted many declarations and resolutions, people know us better, and the world sympathizes with us, but there has been little change in real life.

The alignment of forces, however, is, in my opinion, such. On the right flank (although all this is quite relative), the Independence, Democratic, Christian Democratic, and Tautininkas (National) Parties and the Lithuanian Freedom League. Their slogan is independence now, immediately. These are the forces that obtained a majority at the elections and constitute a quite clearly revealed bloc.

Our position is that independence is a goal to which we aspire. For its real achievement it will be necessary to untie a very intricate knot of problems which have built up in the 50 years of Lithuania's time spent as part of the USSR. This will take time, effort, and mutual understanding. On this we are at one with the social democrats and liberals.

Only one force does not support the idea of independent statehood in Lithuania—the CPSU organization. Watching the "Vremya" program, some people could possibly get the impression that this is an influential party expressing the interests of a large part of the population, particularly of Lithuania's national minorities. There are few people in the Union who know that at the elections it was supported by just five percent of the voters (given a 20 percent non-Lithuanian population), and since 13 January this support has become even less.

[Morzharetto] What are your relations with the republic leadership like?

[Brazauskas] Our party is in constructive opposition. Having lost the elections (we obtained 42 percent of the vote), we ceded power to other forces. We support all rational steps of the leadership aimed at a real solution of the problems. But the republic's leaders frequently act from the standpoint of emotions, not common sense,

and adopt undemocratic decisions, thereby making the achievement of independence more remote. Here we oppose.

The forms, however, may be the most diverse. We draw up political documents and prepare draft laws and submit them for discussion by the Supreme Council. We recently prepared and published a draft constitution, in which we set forth our vision of the future constitutional and legal arrangement of Lithuania. We are working at various levels, and political work obtains an outlet via the activity of our parliamentary faction.

[Morzharetto] How is the question of CPSU property being resolved today?

[Brazauskas] We were still the governing party, but even then expressed the opinion that the property nationalized in 1940 should be returned to the state or the former owners and even began to realize this. But now we are claiming a certain part of the residual property of the Communist Party of Lithuania since we represent more than half the members of this former organization.

But the CPSU Central Committee does not recognize our right of ownership, and negotiations on this issue are at a standstill. This applies not only to party matters. The Press House, with the printing plant, where the majority of republic newspapers were published, is being held with the aid of military force. All this is considered the property exclusively of the CPSU Central Committee Administration of Affairs. Hundreds of workers have now been expelled (I can find no other word) from their jobs. People cannot be allowed to suffer and perish on account of a dispute between parties.

In addition, USSR Ministry of Internal Affairs forces and the Lithuanian CP Central Committee are keeping control of the television and radio buildings, which have nothing to do with CPSU property. This is absolutely unacceptable.

[Morzharetto] Have the hopes placed in the assistance of the West been justified?

[Brazauskas] This depends on how many were had by whom. Our position is such that we are located between East and West—historically and culturally.

Obviously, in the present situation the Western economy and constitutional and legal system are an example we would like to follow. But we cannot expect from the West what it cannot give—make us its equal partner overnight. We have simply not yet matured for this. It is essential to establish new and expand existing ties and, where possible, move onto the Western market, but production cannot be halted here.

Sajudis Member Warns Against 'Cliques'

91UN19244 Moscow PRAVDA in Russian 22 Jun 91
First Edition p 2

[Article by PRAVDA correspondent Yu. Stroganov:
"Anatomy of a Clique"]

[Text] Vilnius—"Anatomy of a Clique" is the title of an article by the Lithuanian philosopher A. Juozaitis published in the youth newspaper LIETUVOS RYTAS. He is one of the organizers of Sajudis, and, nevertheless, he is in obvious opposition to the policy conducted by the Lithuanian parliament. An opposition that many sober-minded people of the republic display more and more. I invite the attention of the readers to a translation of the article.

What distinguishes the clique (there is not only the French word "clique," but also the Russian word "klyk" [fang]) that came to power by way of the elections from a truly elected authority? This question continuously worries the world's politicians and gives no rest to the people who elect authorities. It is extremely important in our life. Therefore, it is impossible to disregard it—it defines living space and independence itself.

The distinguishing feature of a clique is the view of the authorities to opposition. If the authorities begin to call the opposition an enemy, it means that power was seized by a clique. It is the clique that places itself above the people and allows itself to speak in behalf of everyone. It "forgets" that it was not elected unanimously, and that frequently its majority barely amounted to several percent. But it puts on a modest air and even speaks in behalf of those who voted against it.

The clique likes movements and other associations of people—especially when it sees that with its help it can seize power. Immediately before elections it somewhat lets the cat out of the bag that all programs are nonsense, and that the main thing is power. The clique hastens to take over national symbols, because, after doing so, it can proclaim itself the symbol of the nation. Then, it begins to declare each of its steps sacred and infallible, and it demands that people stop analyzing its actions.

This is a severe demand, because they can note that a clique likes to deny today what it did yesterday, and it likes to say one thing and do another. The clique hastens to create a pyramid of authority, at the apex of which it seats the leader of the nation. It likes military protection, and, therefore, from the very first moments of its existence, it overpowers the former national authority with personal protection (LO) subunits. The LO is supposed to show people that the clique is indispensable.

The clique does not like information and ordinary news in general. It establishes a ministry of information control (which lacks a portfolio), and it instructs it to transform information into ideology.

But this is not enough. The clique establishes a newspaper. Not simply a rag of a newspaper that would absorb the reader and the lover of keen sensations, but a

profoundly symbolic newspaper which would call on people to develop a deprived imagination and a life that is turned inside out.

It demands that all citizens of the state support the newspaper, even those who do not read it. Normal journalists do not go to work on this newspaper, but scribblers are found. The clique continuously feels that it is not guaranteed long-lasting power. Therefore, it builds homes for itself and hastens to arm. It sets for itself the goal: to destroy an independent police—and it quickly establishes its own system of protection. It demands 100 million in taxes from the population—and the population is obliged to pay. It knows: even after losing power, weapons will remain.

A foreign enemy, seeing the ways of the clique, pours oil on the fire—the fire blazes still brighter. Quickly, customs and buildings where the authorities are located are militarized, and weapons are delivered to the more important buildings continuously, especially when farmers and other fellow countrymen gather around them. The clique continuously is concerned with why they do not shoot.

Published laws promote armaments: they have to ring out like a burst of machine-gun fire, because another sound does not please the tin musical ear.

The clique works night and day, for it cannot work normally. It functions continuously in a state of stress, it creates tension and intrigues, and acts of condemnation and appeal. If suddenly the tension abates, it organizes something.

The clique sympathizes with hysterical social groups that are inclined to rally where they wish and when they wish. These groups are especially reliable: they work without compensation.

The clique pulls the enemy monster by the moustache, it pricks it with needles, and it calls this state policy. At the price of blood, the enemy takes away television and the publishing house, but the clique, after accomplishing a palace coup, breathes a sigh. All it needs is a state newspaper and a national TV, where its people, having gathered in a corner, do not even look each other in the eye.

The clique squeezes the territory of the state in its fist, in which, with time, there should remain only an "ethnically pure territory," on which it would be able to manage without economic laws.

The clique is in a hurry, because the people, after experiencing the threat of the state, begin to talk about new elections. But the clique will never permit this. Therefore, it began to talk about the return of some kind of property, and it hastens to set the nation at loggerheads. It knows that people who are quarreling will forget about elections and, possibly, about the state as

well. But the clique likes to talk about unity. This is one of its favorite themes, just as is the theme of independence.

However, after talking for a year and reducing the possibility of independence, the clique suddenly begins to sense that its arsenal of words is exhausted. Then it harnesses the sentimental and sensitive part of the intelligentsia, which now turns out to be not that insignificant.

It stirs up the intelligentsia with a nostalgia for the past, and it lifts up the wings of the clique.

Then the clique becomes even bolder. It takes to whipping the opposition with all accessible methods, not even sparing pyrotechnics. In a moment of passionate excitement, it declares the farmers to be enemies.

At the same time, the cat is completely out of the bag. It is explained that the clique very much needed somewhat eccentric ministers and vice premiers, who rule over us, but not over affairs. It finally takes things into its own hands. But suddenly it notices that the enemy has penetrated its ranks. That is the way the end comes.

Let the reader not be disturbed by the seeming abstruse nature of the article by A. Juozaitis. As a philosopher, he was able to venture into profound generalizations: behind the paragraphs of his statement, features can be easily seen that are familiar today to residents of some regions of the country. And not only ours. But some specific facts accurately indicate the address to which critical articles are directed, but a republic reader can easily guess specific persons and situations in its lines. And the state newspaper LIETUVOS AIDAS, and the formations of the department for the defense of the country, and the rally of the farmers of Lithuania at the parliament building who spoke against the policy of the leadership of the country, and the continuous provocations—outbursts against the mass measures of the opposition, and the attacks on its leaders, and on the disposition of the head of the Lithuanian Supreme Soviet—a professor of music. Recognition occurs in each paragraph. A. Juozaitis does not conceal his antipathy toward the clique, in whose existence he sees a danger to the independence of his people. A danger about which the philosopher warned as early as the spring of last year, when the radicals from Sajudis came to power.

Ethnic Clashes Against Romanians Reported

91UN16194 Kishinev *CURIERUL DE SEARA*
in Moldovan 9 Apr 91 p 1

[Report by special correspondent Valentin Dulce: "The Child Without Skin"]

[Text] If things continue as they are, soon there won't be a Romanian trace left in Tiraspol. Which is in fact one of the objectives of the leaders of the criminal state organization of Transnistria.

On 2 November last year, across from the central building of the Pedagogical Institute of Tiraspol, the citizen Valeriu Novac, a bus driver, was savagely beaten. Why? Because he allegedly drove too slowly the bus carrying several members of OSTK [United Council of Labor Collectives] who were in a hurry to get to the gathering point from where they were going to travel to Dubasari "to lend a hand" to those who had blocked the bridge over the Dniester. According to eyewitnesses, the blows were accompanied by remarks like: "It's because of people like you that our boys are covered in blood in Dubasari."

One day before the date of the union referendum, someone placed the tricolor, the state flag of the Moldovan SSR, on top of the drama theater in Tiraspol (the authors were not identified, probably also for the reason that no one was interested). A military car without number plates appeared immediately and several men got out (witnesses claim there were about 10) armed with rubber clubs; they got the flag down and demonstratively tore it to pieces. Mr. Stefan Ureche, a lecturer at the Pedagogical Institute, who witnessed all this and described the sad scene to me, expressed doubts that the same steps would have been taken if on top of the theater had been placed the state flag of united Germany, Canada, or the United States, for example. Anyway, the same OSTK claimed responsibility for the action in question.

In the evening of 28 March, in the yard of the students' town, a group of military men—who for some time have been patrolling the streets of Tiraspol at the order of Ministers Pugo and Iazov—beat up Pavel Virilan, a student at the school of chemistry and biology; the disc-jockey of the Vatra student club, Vasile Dascal; Stefan Mitric, a student of the extramural institute, and several other students. Lecturer Vitalie Raileanu, who lives in one of the dormitories and saw everything from his balcony, tried to intervene, but was threatened by one of the military men who were kicking Pavel Virilan: "If we come up there we'll kill you and your children."

In the time it took the police to arrive, the approximately 200 students who had gathered upon learning what had happened, managed to refrain from "concrete actions," thus preempting the expansion of the conflict and possible bloodshed.

Mr. Mihai Coscodan, rector of the institute and a Moldovan SSR people's deputy, told me that the city police department and the military prosecutor opened a penal file in connection with the above incident and that two of the men who started the conflict—both military—were identified. But there is no guarantee that in this case, as in others, the law will be properly implemented.

After several discussions I had during my stay in Tiraspol I managed to clarify the following facts: everything possible is being done here to intimidate the Romanian speakers, to make life impossible for them, to make future Moldovan graduates give up the attempt to enroll at the Pedagogical Institute, and to make Moldovan parents give up the idea of placing their children in Romanian-language kindergartens and schools.

In Ion Druta's play, "Handsome and Holly," one of the characters talks about a child born without skin. He had bones, muscles, everything, except skin. That was, of course, something from the world of the imagination. Because a human being cannot survive without skin! Just as a nation or a people cannot survive without its mother tongue. It seems that experiments along this line continue in Tiraspol. For what purpose, when the situation is axiomatic?

Population Changes in Republic

91UN1777A Kishinev *CURIERUL DE SEARA*
in Moldovan 22 Apr 91 p 1

[Unattributed report on emigration, birth, and death rate statistics]

[Text] According to a study by the Municipal Directorate for Statistics, the flow of massive arrivals into the urban area has stopped. The figures we culled present a picture of the population movement in the Kishinev municipality in the first quarter of 1991.

	1990	1991
	Incoming	
Suburban area	6,470	5,019
Kishinev	6,039	4,615
	Outgoing	
Suburban area	5,223	6,632
Kishinev	5,020	6,264

One third of those who left were of Jewish nationality. Alone in three months of the past year 49 moved their residence and 2,296 left, the majority for Israel.

Also in the first three months of the year 1,327 babies were born in Kishinev. In fact, in this connection we note that the birth rate is of course dropping in comparison with January, February, and March of last year. Thus, by the end of the first quarter 158 fewer newborns were recorded than previously. The causes of this situation are varied. First, it is believed that the number of marriages has considerably fallen. That may be one

consequence of the generalized crisis. It seems that the demographic question must also be viewed from the perspective of a market economy.

We had to regretfully note that since 1 January to date 1,416 persons died in Kishinev, 14 more than in the same period of 1990. The reasons? Once again, the causes may be varied, but it is undeniable that medicine has not improved. Some 679 people died in Kishinev of cardiovascular diseases; 240 of malignant tumors; 164 of fatal accidents (traumas, poisoning); 73 of respiratory illnesses; 16 of infectious diseases, and 90 of diseases of the digestive system.

Kishinev Head Rabbi on Restoring Judaism

91UN17784 Kishinev *CURIERUL DE SEARA*
in Moldovan 23 Apr 91 p 3

[P. Limpert report on new Head Rabbi of Kishinev and Moldova, Zalman Leib: "On the Ashes of the Judaic Religion"]

[Excerpt] On the ashes they first built a prayer house, a hospital, and a jail. The state policy of antisemitism tacitly promoted for decades has burnt the rich soil of the Jewish national consciousness down to ashes: the Jews stopped being Jews. The Jewish nationality remained only as a mark on the "fifth column" of the passport, which marred people's lives. In fact, the Jews were deprived of their faith, language, and culture. Except that, despite all the attempts, they failed to destroy the Jewish soul. How did it survive pogroms, physical destruction, assimilation, persecutions, and the destruction and desecration of synagogues and graves? As an atheist, I find it inexplicable. Rabbi Zalman Leib, however, who was recently appointed Head Rabbi of Kishinev and Moldova, says: because they believed in God.

Reb Zalman Leib came to Moldova from Israel in 1989, where he spent over 40 years. He came literally on "the ashes" of Judaism: he and his wife found not one Jew in the city who observed the Sabbath. The Kishinev synagogue—the only one of 77 left open during the years of stagnation in Moldova—was in a deplorable condition.

During those times of sad remembrance, one needed nothing less than civic courage to go to synagogue—and God forbid it was found out that one went to the synagogue! That could cost one everything—job, career, party membership. Consequently, only old people came here illegally before the Jewish Easter—Pesach [Pass-over]—to get matzoh (the lines were enormous).

But the synagogue was revived by Rabbi Zalman Leib's arrival. Finally, after a 50-year interruption, a true master was there—a sincere, believing rabbi and philosopher, endowed with a great gift of persuasion. Reb Zalman Leib lived all his adult life in Israel, where he worked and earned his rest. He left there a prosperous home, children, and a chance to live out his years on this earth in peace and dignity. But, at the command of him whom he views as his spiritual leader, the great religious

figure who is the Lubavitcher Rabbi, he came here to spread Judaism among these Jewish people that seemed to have been forever disillusioned by everything.

And people began to come to the synagogue! They come to the rabbi as to a confessor and arbiter in all family matters, they ask his advice and help, and share their most intimate thoughts with him. Even young people began coming to the synagogue because he can speak their language, and the children are in love with him. He has revived religious customs and festivals, he celebrates them, and he talks about them in an interesting and accessible language for the most diverse audiences. He has organized Hebrew language classes for children and adults, opened an elementary religious school for boys, Jewish history study circles for women, and a Jewish children choir.

[passage omitted]

Moscow Weekly Interviews Moldovan President

PM0706141791 Moscow *MOSKOVSKIYE NOVOSTI*
in Russian No 20, 19 May 91 (signed to Press 14 May)
p 13

[Interview with Moldovan President Mircea Snegur by Viktor Loshak: "President Versus Premier"]

[Text] That [reference to headline] is the reality of the current political struggle in Moldova. May 1991 is the point at which two political courses intersect: President Snegur is steering the Moldovan ship toward sovereignty without jettisoning the economic ties that have been formed over the decades; Premier Druc, it seems, would like to put an end to the last 50 years of the republic's history at one fell swoop and take into account the interests of people who belong to just one of all the nationalities that live here.

Outside democracy, leaders, like parents, cannot be chosen. Once upon a time Moldova got Brezhnev—"a fine Moldavian," according to Stalin—then his minion Bodyul, and recently the party leader here was Grossu, whose diplomatic talent emerged when he was approaching retirement, as is customary—now he represents the motherland somewhere in South America; the latest was Luchinskiy, who after a short time as leader was recalled to the CPSU Central Committee as a secretary. Finally, Moldova got its first president. And here fate and the republic's parliament, it seems, got it right—a rural republic got a president who is a peasant by experience and origin. It seemed to me that in my interview with Mircea Snegur lasting almost two hours he grew really animated only once, when the conversation turned to the land and the harvest. He said: "God has given us a mild spring, the frosts are over, the apple trees are blossoming, and the bees are hard at work."

But we did not begin our conversation on this topic. Moldova, it seems, was the last of the six breakaway republics to jump off the Union train. How did this

happen, and what is the republic president's attitude to the "Nine Plus One" document today?

[Snegur] The life of a republic taken separately in isolation from the others is fundamentally unthinkable, when for 73 years in the case of some, and for 51 years in our case, everything has been built on integration. Therefore the part of the agreement that deals with retaining ties and ensuring that enterprises work normally is good. But we shall have to see what the intention to establish a union of sovereign states will mean. How far is it possible to retain sovereignty within a framework of integration? In particular, what I did not like was this: they certainly should not have immediately proclaimed that a system of favored economic status will be established for signatories, and that the rest will pay according to world prices. I would not like to name individual leaders, but after this agreement was signed, we heard via newspapers and the television what sounded like threats: we'll teach them a lesson. First, like Moldova, all those who did not hold the referendum were simply not invited to sign the treaty of the ten. Second, we should not forget that the republics that did not sign this agreement will not only be buying but also selling at world prices as well. In general, however, we are not going to sever ties with all the sovereign republics and regions, especially, I think, as they themselves are interested in these ties. Take Tyumen Oblast, for example. Recently we adopted a resolution on work by our construction organization to construct housing there. Note that this was after we refused to hold the referendum. We have close relations with Belorussia, which has opened a mission in Kishinev. Even if all nine sign the Union Treaty, this does not prevent links between individual republics.

[Loshak] And what is the gap between shipments in and out, or, if you prefer, between imports and exports?

[Snegur] We have to calculate what this amounts to at world prices, and I have given instructions for this. We should be prepared for events to take an unfavorable turn. But somehow I am certain that things won't come to this.

[Loshak] A month and a half ago you tendered your resignation, so great were the differences between the president and the government and between certain forces in parliament. What is your position now?

[Snegur] This crisis is not yet over, because I am completely dissatisfied with the way things are going in our republic. I am not satisfied with declarative statements, and declarative statements alone, by certain political and economic leaders. It is a pity that, in my opinion, not everyone heard or completely understood the cry from the heart which I put into my resignation statement (although I once again received a vote of confidence from parliament). Especially in the top echelon of power in the government. And meanwhile events took place which made our life even more complicated: the price

hikes, the meager compensation, difficulties with essential goods. We have a crisis, just like the whole country. We need a very strong anticrisis program, and we have plans. We need support from parliament, sociopolitical movements, and parties.

[Loshak] So you mean you may try to resign again?

[Snegur] No, you know, the situation does not give me the right to raise this question again. But all the same the only thing I have not carried to completion is this: I should have been firmer in demanding that the president be chosen by a nationwide vote. In order to get a mandate of trust from the entire people at this complicated time.

[Loshak] Many people have formed the impression that the republic is steering toward union with Romania as an alternative to breaking with the USSR.

[Snegur] Today we are indeed placing great hopes on concluding an interstate, intergovernmental treaty between the Republic of Moldova and Romania. Further explanations are not required—this process has begun and is irreversible. You must understand that where there are two sovereign states that speak the same language and have the same roots and history, it cannot be otherwise. Therefore I want to say that the most important provision in the treaty concluded recently between Romania and the USSR is the one that allows Romania to have direct ties with the republics. But even without this provision, I think we would have cooperated directly with Romania.

[Loshak] But after the signing of the treaty between the USSR and Romania, some people appeared in Kishinev with slogans which compared the document signed by Gorbachev and Iliescu to the Molotov-Ribbentrop Pact.

[Snegur] Some sociopolitical movements criticize this treaty and call it "a betrayal by the Romanian leaders." I say to them: we ought not to make such threatening noises about the internal affairs of another state, because we ourselves have a large number of domestic troubles. It is clear that a reaction of this sort does not help Romania. But I also think that it will not help us to attain real sovereignty and independence.

[Loshak] Still, critics of Moldova's policy think that far-reaching plans will be implemented.

[Snegur] We have told the people that we are going to conduct our own referendum, that we must determine our future. We will adopt a law on citizenship, and moreover I think we will do everything we can to ensure that no restrictions are placed on anybody. There will be a law on the referendum, and then we will determine our future. We must not jump the gun. We and Romania have confirmed the concept that two sovereign republics or states exist. The state of Romania and the republic of Moldova—that is all. I am positive that our people currently support this position. I am sure of it.

[Loshak] The referendum may contain the option of rejoining the Union, but in general what widely differing options can there be?

[Snegur] I think the options in the referendum will be full sovereignty, independence, or staying in the Union. But you should not assume that tomorrow we will vote in parliament, leave afterwards, and that will be the end of the story. And then go back and start wrangling with each other. No, we are drawing conclusions from history. And we will divide our journey into stages. I cannot give you a more specific answer at the moment, because I do not know the final view of the people yet.

[Loshak] The current spring draft into the Armed Forces is under way in Moldova, and young men have the right to serve on their republic's territory if they wish. What in general are the prevailing relations with the Army, and how do you view the future of Defense Ministry units on the republic's territory?

[Snegur] You have put your finger on the most painful issue. And the most complicated. We have declared the republic a demilitarized zone, so in the future we want to have only security forces here. Our parliament has called on the people to show loyalty to the military, but unfortunately the higher command is making a great number of mistakes. Why did they have to rush troops, armored personnel carriers, and so on to the republic's radio station during the referendum? Once again we found ourselves in an incomprehensible situation practically overnight. The very fact that a referendum for civilians was held in military units is extremely significant for our relations.

[Loshak] Many of Moldova's current leaders, including yourself, are from the local Communist Party leadership, although you are no longer Communists. On the other hand, it would seem that the republic's Communist Party has split into two wings and has been eclipsed.

[Snegur] I think the party can now make an impact only through its deputies. At the beginning of this year 83 percent of Supreme Soviet deputies were Communists, but many have now quit the party. But in all we now have more than 25 registered parties and political movements, thank God. Recently we formed a consultative council comprising representatives of all the parties and movements under the president. The Communist Party is no different from all the other parties or groups such as the Social Democrats.

[Loshak] I think that those who follow events in Moldova no doubt form the impression that opposing views are not tolerated here. You will agree that there are many arguments: from the events surrounding the newspaper MOLODEZH MOLDAVY to the march by volunteers under Druc.

[Snegur] I think some of the lessons have been useful for the newspaper too. I now enjoy reading it, it has changed completely. Many conflicts arose after the decisions on making Moldavian the official language. Systematic

steps are being taken to bring in a law on languages. The recent decree signed by the president and the government creates conditions for a revival of Ukrainian culture (there are 600,000 Ukrainians living here, you know) and the revival of Bulgarian and Gagauz; we recognize Yiddish at state level.

[Loshak] Can there be any acceptable terms for a treaty between Kishinev and Moscow or the Union?

[Snegur] The point is that our terms were ignored altogether. Moldova in fact took no part in drafting the document at the initial stage. We supported the Shatalin program, we supported the idea of a community of sovereign states, but, you know, none of these elements was retained in the treaty! The unitary principle was retained. The division of functions between the center and the republics is just talk. Who is in control? The Federation Council, where one and the same person always presides. What kind of a collective body is this? They get together, talk, the same person is in control, and that's all there is to it. You cannot draw up a treaty about a community of sovereign states under a unitary principle. We, the leaders of these sovereign states, should get together at least once to define what we are and what we want. On no account am I criticizing my colleagues, the nine leaders who signed the document and the six breakaway leaders, I am just expressing my own personal opinion. [Snegur ends]

The interview was over, and I hurried to the airport. On the way a Zhiguli bearing a freshly painted Moldavian sign passed our car. "Police?" I wondered. "Police, militia, what difference does it make?" my driver commented.

Snegur Announces Ministerial Appointments

Government Minister Named

91UN18644 Kishinev SOVETSKAYA MOLDOVA
in Russian 7 Jun 91 p 1

[Ukase of the President of the Moldovan Republic: "On the Appointment of Minister of State of the Moldovan Republic"]

[Text] Filipp Tudor Zubatyy is appointed Minister of State of the Moldovan Republic.

ZUBATYY, Filipp Tudor

Born in 1948 in the village of Parkan in Sorokskiy Rayon, he is a Moldovan by nationality. Education—higher: completed Kishinev Agricultural Institute imeni M.V. Frunze in 1972, a graduate agronomist by specialty.

Zubatyy began his work activity in 1966 as a sports instructor at Kolkhoz imeni S. Lazo in Sorokskiy Rayon. During the period 1967-1972 he was a student at Kishinev Agricultural Institute imeni M.V. Frunze. Upon

graduation from the institute he worked as chief agronomist on Bolbochi Sovkhoz in Drokiyevskiy Rayon. Following service in the ranks of the Soviet Army in 1973-74, he continued to serve as chief agronomist on that same sovkhoz. From 1976-79 Zubaty was director of Sovkhoz imeni Kalinin in Kamenskii Rayon.

In 1979 he was elected deputy chairman of the executive committee of the Kamenskii Rayon Soviet of People's Deputies, and chief of the agricultural department. From 1980-1986 he worked as senior instructor at the organizational instructor department, Administration of Affairs, Moldovan SSR Council of Ministers. From 1986-1990, he was an instructor and inspector at the organizational-party work department, and deputy chief of the agricultural department at the Moldovan CP Central Committee.

From 1990 through 1991 he has been working at the secretariat of the parliament of the Moldovan Republic as chief of the department on work of Soviets of People's Deputies, chief of the general department, and deputy chief of the secretariat.

On 5 June 1991 by Ukase of the President of the Moldovan Republic, Filipp Tudor Zubaty was appointed minister of state of the Moldovan Republic.

[signed] *M. Snegur, President, Moldovan Republic in Kishinev, 5 June 1991*

Deputy Premier Minister Named

91UN1864B Kishinev SOVETSKAYA MOLDOVA
in Russian 7 Jun 91 p 1

[Ukase of the President of the Moldovan Republic: "On Appointment of the Deputy Premier Minister of the Moldovan Republic"]

[Text] Valeriu Pavel Chebotar is appointed deputy premier minister of the Moldovan Republic.

CHEBOTAR, Valeriu Pavel

Born in 1954 in the city of Khynchesht, Khyncheshtskiy Rayon. Chebotar is Moldovan by nationality. He has a higher education, and graduated from the Kishinev Polytechnical Institute imeni S. Lazo in 1976. He is a construction engineer by specialty.

From 1976-1981, Chebotar worked as a foreman and then superintendent of Mobile Mechanized Column-71 in Khynchesht. From 1983-1989, he was chief engineer and chairman of the Khynchesht Interfarm Construction Association, and chairman of the Khyncheshtskiy Rayon Construction Association. In 1989 Chebotar was elected chairman of the executive committee at the Khyncheshtskiy Rayon Soviet of People's Deputies. In 1990 he was appointed first deputy minister of construction, Moldovan SSR, and then chairman of the republic cooperative-state association Moldagrokonstruktziya [Moldovan Agricultural Construction Association].

On 5 June 1991, Valeriu Pavel Chebotar, by Ukase of the President of the Moldovan Republic, was appointed deputy premier minister of the Republic of Moldova.

[signed] *M. Snegur, President, Moldovan Republic in Kishinev, 5 June 1991*

MVD Chiefs Define Organized Crime

91UN1775A Kishinev MOLODEZH MOLDOVA
in Russian 25 May 91 pp 7, 10

[Interview with V. Katan and N. Obrezha, by Ye. Zamura, under rubric "Society": "Does Organized Crime Exist in Moldova?" Employees of the Moldovan Ministry of Internal Affairs Answer Questions Asked By a MOLODEZH Correspondent"]

[Text] Viktor Katan, chief of the Administration of Economic Police, Moldova SSR MVD: "Organized crime can be viewed as a pyramid. Its height depends upon the width of the base. The broader its base, that is, the greater the spread of crime, the higher it rises to the uppermost echelons of power and administration."

Nikolay Obrezha, chief of the Administration of Criminal Police, Moldova SSR MVD: "The more apart our world is, the more consolidated the criminal world is."

Does organized crime exist in Moldova?

[Ye. Zamura] At one time Aleksandr Gurov made the following stupefying statement on the pages of LITERATURNAYA GAZETA: "the lion has leaped"—professional crime had developed into organized crime. Including in Moldova. Is that really so? Can one speak about fundamentally new qualitative indicators of crime?

[V. Katan] Gurov many times changed the definitions of the term "organized crime." Today there is no unanimity either in our country or in the West. Incidentally, the conclusions relative to Moldova were made not "on the basis of theory," but "by eye."

The fact of the matter is that, in previous times, the republic served as a cadre "preserve" for the Kremlin. It was from here that Brezhnev, Shchelokov, Chernenko, and others left, to go to work in Moscow. This was the logic: if everything was "bought" in Moscow, then that also applied to Kishinev. It is not "estimates," but professional analysis that forces the republic's MVD to come to the conclusion today: organized crime actually does exist in Moldova. The signs of it are the legalization and unification of the previous wheelers and dealers in the shady economy with the newly appeared merchants, contacts with the corrupted official representatives of departments, with the apparatuses of administration and state authority; fusion with the cooperative form and other forms of economic activity, the ongoing struggle for the monopolization of the consumer market for the sale of banned commodities, and the attempt to establish international criminal ties.

[Ye. Zamura] You mean the Mafia?

[N. Obrezha] No, those are different things. There exists the opinion that the economic disorder and the increase in crime are being "planned" from a single center. But, thank God, our part of the country has not yet achieved that level of criminal consolidation. Forecasts? There is no special optimism: criminal groups in the country today are already uniting into organizations that have a functional-hierarchical system of administration and establishing smoothly operating interregional ties. There is only one thing that can hinder this: the political, economic, and social stability of society.

[Ye. Zamura] What kind of crime would you call modern?

[N. Obrezha] Unfortunately, the term "modern" can be applied to the especially cruel crimes against the individual. Their number has been growing. Frequently the criminals are minors or women. Almost always they are people with a normal psyche. So one wants to repeat Shakespeare's "Terrible age, terrible hearts!"

[V. Katan] Crime in the sphere of the credit and finance system (previously they were very rare), in the sphere of trade, and in the cooperative movement. But I would apply the term "supercrime" to the pumping of commodity resources outside the confines of the republic. In many branches of the national economy, there have been coverups of major instances of theft, speculation, and bribery. Whereas previously we dealt with thefts amounting to tens of thousands of rubles, now the investigation had to deal with cases in which the material damages constitute hundreds of thousands of rubles, or sometimes even millions. Crimes of this sort were revealed in the cities of Bender and Rybnitsa, and in Gloden, Shtefan Vode, Orkhev, Drokiya, and other rayons. Or about other violations. Recently, for example, several farms and enterprises (including the Progress Kolkhoz, Grigoriopol'sky Rayon, Moldova Kolkhoz, Kamenskiy Rayon, and Nistru Kolkhoz, Shtefan Vode Rayon, the Nisporeni and Orkhev canning plants, etc.), in exchange for the nonallocated acquisition of 92 passenger cars, sold the GAZ and AvtoVAZ associations 10 million rubles' worth of scarce agricultural equipment, machinery, canned goods, fruit, wine and cognac, and butter. Some of the cars went to friends and relatives.

The enterprises in the republic's shoe industry are on the brink of stopping production, but at this time the Bender shoe factory is selling the bankrupt Yerevan cooperative a million decimeters of hides (the monthly quota of the raw-materials need).

Our market is becoming more empty with every passing day. The economic police this year inspected more than 700 enterprises, organizations, and institutions, and discovered almost 30 millions' worth (in old prices) of fruit and vegetable produce intended for sale by way of direct barter transactions outside the confines of Moldova. The loss is no less than 15 million rubles. Who received the income? Various kinds of middlemen, and wheelers and

dealers in the shady economy—the sphere of organized crime. Essentially speaking, its contacts with officials are frequently not even built on the basis of bribes, but on the basis of the connivance and silence on the part of those who have been endowed with the power. The lack of a crime is also a crime.

[Ye. Zamura] In your opinion, what influence does the cooperative movement exert on the state of the consumer market?

[V. Katan] For the most part a destructive one. The crux of the matter is the lack of any centralized system for supporting the cooperatives. This encourages a "free search." As a result, last year equipment, raw and other materials, and consumer commodities with a total value of approximately 650 million rubles (the previous year 246 million) were removed from retail commodity turnover. Last year the cooperatives sold output and rendered services with a total value of more than one billion rubles, but directly to the population only 11 percent of that amount. The cooperative sector has become the breeding ground for organized crime. The number of thefts that are linked with them, that were committed by means of misappropriation, embezzlement, and malfeasance, more than doubled. Here is an example, not too long ago, officials at the Moldavian Metallurgical Plant, in exchange for bribes, sold cooperatives more than 500 tons of nonallocated metal structural. In just one construction store in Kishinev, cooperatives bought commodities for cash with a total value of approximately 20,000 rubles.

[Ye. Zamura] Could you paint a portrait of a person who has been drawn into the sphere of organized crime? Are the traditions of criminal and crooks dying out in that sphere, or, on the contrary, are they becoming stronger?

[V. Katan] Organized crime today unites "thieves in the law" and "white-collar criminals." In our day "Professor Moriarty" (you remember Sherlock Holmes' opponent, don't you?) is a "shady businessman," a person who frequently is exceptional, who possesses both the capabilities of an organizer and the knowledge of the economic and legal spheres. He is the brains, and the "crooks" are his hands. The level of professionalism that these people have is attested to by the fact that the appearance in the West of the "Soviet" phenomenon of the organizing of criminal communities has led down a blind alley the police system in the United States, West Germany, Canada, Poland, and Hungary—countries where a powerful, well-equipped, and well-paid police apparatus exists.

[N. Obrezha] The new wave of the "crooks'" way of life has swept away the old traditions. Essentially speaking, there remain fewer and fewer "thieves in the law." The "laws" themselves are dying out, laws that do not allow "limitedness" with respect to one another, that do not offend the "muzhik," that resolve conflict questions without a knife, and that attract young people to their side.

Incidentally, I might note in quotation marks that the "zone" of our part of the country enjoys, in the criminal world, the reputation of "red." Here the situation is monitored by the administration...

What, then, is the typical criminal like today?

First of all, he is young. Previously the people who were kept in maximum-security facilities (where people convicted for the first time for having committed heinous crimes are kept) were predominantly adults who had, in their past, a "diploma," a "job," and a "biography." There has been a noticeable lowering of the age of in the maximum-security contingent at ITU [corrective labor institutions]. The educational level has fallen: most frequently 8-10 grades, and as for the intellectual level... The convicts have become cruder and more aggressive. And this is the paradox: the maintenance conditions are becoming more humanitarian.

[Ye. Zamura] What will the criminal be like in the near future?

[N. Obrezha] We feel that the development of the market as a system of social relations will raise his intellectual level.

[Ye. Zamura] Does there exist a reciprocal influence between the isolated worlds: "civilian" society and the criminal "caste"?

[N. Obrezha] It is simply impossible to isolate colonies from one another. Information is conveyed as the prisoners are moved from one stage to another, in the course of meetings, and through the illegal "crooks' mail." Incidentally, that made it possible to organize the strike by all the convicts in the entire country, which was planned for 5 March but which was disrupted.

The "profession" of crooks is constantly being reproduced. Society gives rise to crime. And crime, in its turn, "presses" on society and demoralizes it.

All this used to occur previously. As has already been said, what has become a new phenomenon is the unification of the "intellectuals" in the legal and semilegal economy with the "Lenka Panteleyevs." Many members of cooperatives knock together protection groups from among the crooks. Cooperatives that do business in rackets are created. For the time being, we are quarreling on the grounds of "politics"—the criminals are uniting. All the workers at ITU note a strange circumstance: the places of incarceration in our republic house convicts with more than 20 nationalities, but there have not been and there are currently no interethnic conflicts. It is well known that the "thieves in the law" who are being maintained in ITU in the RSFSR have issued an appeal to the convicts: do not show any hatred, since that will enable the law-enforcement agencies "to cope more easily with us." We are forced to reiterate: the deeper the political and economic crisis, the more concrete the manifestation of the increasingly consolidated actions by the criminals. Here is another fresh example: our service

learned of plans to create in the republic a branch of an all-union crooks' cash office (the so-called "obshchak" [general treasury]).

[Ye. Zamura] An Interpol bureau is being created in the Moldovan Ministry of Internal Affairs. Does that mean that crime in the republic is establishing transnational ties?

[V. Katan] In our going out and establishing foreign-economic ties we are as inexperienced as Papuans who are planning to barter with the whites. Our economic managers are ready to yield their "gold"—wheat, metal, meat, wine, and fruit—for shiny trinkets. Recently the Framex SPP attempted to barter for blue jeans approximately 400 tons of tomato paste; the Avtomotoservis rental enterprise hankered after consumer goods, giving in exchange automobile spare parts, gasoline, diesel fuel, and trailers for passenger cars. Obviously, this kind of "banana-republic" naivete on the part of Moldavian businessmen is attracting thieves like flies attracted to honey. Cooperation with Interpol will help the Moldovan SSR MVD to combat the foreign "guest artists."

[Ye. Zamura] But what is to be done with the "lion" that has already leaped? How do we break up organized crime?

[N. Obrezha] It is a pity that this question was not addressed by the previous makeup of the ministry during those times when the beast was only prepared to leap. We inherited a balance sheet that was in the red. The old apparatchiks, who had had their beginning in the "Bodyul" days, prevented the real professionals from doing their job. The breakup of the old structures coincided with the "national" conflagration that flared up in the republic. Absurd rumors spread through the city, concerning "persecutions" being directed at Russian-speakers and "total" purifications in state institutions. Certain people perceived the Law Governing the Functioning of Languages as a "cross" on their official career, and, despite the persuasions, went to Moscow and Odessa. By saying goodbye, they survived. They are also surviving now, when it is obvious the reason for everything was panic. It has become obvious that the transitional period will be long, and that there is a lot of time for adaptation. Currently people are already talking of postponing the deadlines for activating the Law Governing the Functioning of Languages, and discussions about the "national" criterion for selecting specialists are an absurdity, if not outright provocation...

It must be admitted that for many years the Moldavian militia was the object of ridicule and universal disdain. What heritage have we renounced? We have renounced the archaic system in which defenseless people worked without rest for a pittance, while being ashamed of their uniform. We have renounced the incentives of "stick ideology," with a complete lack of any material incentives. We have renounced the poverty in the rayon police departments, when ten policemen would respond to a call in a delapidated bus dating back to the Sharapov

times, while ten more went out on foot. We have renounced the tragic finales when, after a person had had everything squeezed out of him, he was kicked out of the system, and given a pitifully small pension. The law governing the police, which for some reason was accepted by certain people at the point of bayonets, is a collective attempt to change the state of affairs. It is "ground zero" for the process of creating "authoritative, effective agencies for combatting crime, with a high level of social protection of its employees." What has the reorganization provided? The Moldavian police system is not yet a year old, but many people are already taking a biased attitude toward us, and have agreed not to wait for the day when it will begin to make conclusions justly.

[V. Katan] We began our fight against organized crime not only with the reorganization of the systems of the economic and criminal police, but also with an attempt to exert an effect on the legislation, because the root of many evils is in the state's law-enforcement system. The MVD made specific recommendations, and submitted the drafts of the laws entitled "Defense of the Consumer Market" and "The Cooperative System." A very important factor was the consideration of the draft of the law that had been prepared by us and a number of other normative acts. We are also in favor of abolishing a number of normative acts under the cover of which organized crime operates. These are, in particular, Decree of the USSR Council of Ministers No. 261 (adopted in 1990), concerning the rules for collecting customs duties at the rate of \$16 for exporting commodities valued at 100 rubles. That decree forces citizens who do not have any legal source of obtaining currency to commit illegal actions and promotes the leakage of commodities from the domestic market in Moldova. It is precisely that document and a number of other ones that force the Leushen customs office to give its "okay" to the exporting of valuables abroad every 24 hours with a value of no less than half a million rubles.

The deficiencies in the "cooperative" legislation enable the cooperative members to engage not in the production of commodities and services, but in the pumping of money from the state sector into their own pockets. There has been an increase in the indebtedness to pay off bank credit. There have been instances when credit is used for self-serving purposes. Extreme cunning manifests itself when paying taxes: many cooperative leaders, after the expiration of the preferential deadline, formally liquidate the enterprises, and then resurrect them subsequently under a new name. Joint enterprises and cooperative that do not have authorizations to barter export commodities and at such time fail to receive currency paid into their accounts at the Kishinev City Administration of USSR Vneshekonombank. Through the Kishinev customs office alone, commodities with a total value of eight million rubles were exported, and only \$180,000 was received at the currency accounts. There were instances when an account of that kind did not even exist at all: the Vitanta PO, for example, used this

method to export artificial honey and food products with a total value of more than 180,000 rubles, but the payment did not come in.

Until we introduce order in legislation, the fight against organized crime will resemble attempts by the residents of an apartment that is being flooded to bail out the water without turning off the faucet. That is why it is so important for the Parliament of Moldova at the present session to review the Law drafts that were mentioned.

[Ye. Zamura] What do you think about the idea of creating a system of state monitoring that was implemented at the past session of the republic's Supreme Soviet?

[V. Katan] The system of state and departmental monitoring, despite all our appeals to make it more rigid, is still working poorly. Because of the lack of a nondepartment inspection apparatus and the considerable reduction of the departmental inspection apparatus, the violations are revealed late. Sometimes we simply are unable to bring the guilty individuals to responsibility because of the fact that there has been no documentary confirmation of instances of abuse. A state monitoring department is definitely necessary. When creating it, it is necessary to take all steps to assure that the new apparatus has not been bureaucratized.

[Ye. Zamura] How do you evaluate the effect produced by the happily deceased people's control?

[V. Katan] When talking about the dead, if you can't say anything good, then don't say anything at all.

[Ye. Zamura] Gorbachev has attempted to resurrect NK [people's control].

[V. Katan] It was in vain, and the Parliament of Moldova acted completely correctly when it failed to ratify that decree. People's control itself needed a controller. First of all, it had a very large number of incompetent people in it, people who were legal illiterates, and therefore it was necessary to deal with violations by controllers. Secondly, they do not bear any responsibility for their inspections or their actions. They will make a mountain out of molehill, and vice versa. Therefore what effect can there be from this kind of work by this kind of agency? Everything is done to increase the size of the agency and for the sake of making trips. I know from my own experience the contacts with people's control: after working from one to three years, the "social specialist" pecks at bribes. There have been instances when they were brought to criminal responsibility. I hope that honest controllers will not be offended at my statistics: obviously there were also honest ones, but few of them.

[Ye. Zamura] At the past session, the Parliament of Moldova modernized the republics UK [Criminal Code] and UPK [Criminal Proceedings Code] and made amendments to them. Were the Codes sufficiently "rejuvenated" to fight organized crime?

[N. Obrezha] I'm afraid that our attempts to make the old lady more attractive will not help to get her married. The Criminal Code and the Criminal Proceedings Code were adopted in 1961. New ones are definitely needed and the work of creating them is in progress. One cannot consider it to be a legally normal situation when a number of actions by the organizers of criminal groupings do not fall into any recognized category of criminal at all. There are also those actions that in principle are criminally punishable, but too mildly. The forms of complicity (in an organized group, in a criminal organization) have not been strictly defined. Incidentally, such legislation has existed for a long time in the West. In the United States, for example, the court agencies do not have to prove that the boss of a criminal organization personally committed or organized the crime, if it has already been proven that he is the boss.

[Ye. Zamura] All right then, organized crime... What are your conclusions?

[V. Katan] We are living in a transitional period, when the system of rule by administrative fiat no longer controls the economy, but the laws of the market have not yet started to operate. These are the ideal conditions for people who like to catch fish in muddy water. The more people of that kind, the broader the base of the crime pyramid. So then that pyramid grows, until it reaches the very top. We need a special system of monitoring that would not infringe on private initiative, but that would not allow the "shady operators" to steal from the state. The police are one link in the system. But they are the main one.

[N. Obrezha] Organized crime is dangerous in that, at any moment, it can become a weapon in the struggle for power. As in Central Asia. The attempt to compromise the police agencies is also an episode in the struggle for spheres of political influence. In the final analysis they are beneficial to the criminals. The police are the hands of the state, and the nation must know that those hands are clean.

Silayev Describes Economic Program

91UN18374 Moscow: NOVAYA STROITELNAYA
GAZETA in Russian No 13, Mar 91 pp 5,11

[Interview with Chairman of the RSFSR Council of Ministers I.S. Silayev, by unidentified NOVAYA STROITELNAYA GAZETA correspondent: "One More Attempt To Lead Russia Out of the Economic Crisis"]

[Text]

[Correspondent] Ivan Stepanovich, the press has already reported that the RSFSR Supreme Soviet Presidium has approved, on the whole, the Russian Government's program for 1991-1992. You said more than once that it is necessary to revise the "500 days" program in order to take into account the current situation in Russia.

In what sense is it principally different, and how realistic is it?

[Silayev] The government had been directed to prepare such a program by the Second Congress of People's Deputies. They specified a rather strict deadline, which we have not met. Not because we did not want to, but because this issue is too complex. Now we have accomplished this task.

I should say at the outset that this is not an alternative to the "500 days" program. We still recognize the main theoretical principles that constitute the foundation of the "500 days" program and believe that they had been formulated correctly. However, the situation is so complex and changeable; it has been developing so dynamically since the "500 days" program was adopted, that a practical implementation of this program has now become an impossibility. Besides, from the very beginning, the authors of the program said that it was developed for the entire Union and could not be realized in one republic.

Our task was: while reaffirming and preserving the main principles of the transition to a market economy built into the "500 days" program, to offer a plan of action in today's environment, which is rather complex and is not isolated from all the space surrounding us. We had to put together such a plan that would allow us to work with a maximum degree of independence. I would rather not talk about full autonomy—it is impossible. Nevertheless, we had to attempt to achieve the maximum of what was possible in the environment that included disagreements with the Center, differences in legislation, the concept of the new Union that has not yet been formed, and an agreement between the republics that has not yet been signed. In short, it is necessary, on one hand, to be consistent in the realization of the main principles of the "500 days" program, while, on the other hand, have what I would call a grounded, realistic program of what can and needs to be done in the current situation.

The program—or, rather, a concrete plan—is based on the recognition that attempts to smoothly move from a planned to a market economy, let alone the explanations

of the current process, have brought us to the conclusion that an energetic move toward a market is needed. This is not our invention; this is the opinion of many expert economists who find the root of this difficult economic and social situation precisely in the indecisiveness, marking time, and incantations that we are in a transition period when change should be gradual. You see what is happening. It seems that we do not really want to abandon the old, planned, centralized system, while at the same time we sense that we have to. The difficult situation is a result of the fact that it is impossible to have a gradual transition; it leads to precisely these results. We have a hard choice: either we have a planned economy or a market one. One can even say that we have fallen into a crack between the two systems. There is only one way out—through an energetic move toward market principles. Therefore, we are starting actions based on this assumption. We need an energetic transition to a market, even a somewhat sharp, hard transition. This is the basis of our proposals.

[Correspondent] What road toward the market are you planning to take? What is principally new in the program proposed by your government?

[Silayev] I will start by saying that we talk a lot—and probably for good reason—about social guarantees, protection of the populace, support, compensations, indexation; that is, in general how to make sure the people do not suffer, or, if they do suffer, then at least minimally. But this is, if you wish, an expense category. One needs the resources to provide such guarantees.

In other words, we have to ensure the revenue part. Its sources are the economy, operation of enterprises, plants, factories, kolkhozes, sovkhozes, and farmers—all the producers of material wealth. Therefore, the very basis of our program is in the set of measures directed at the creation of a favorable economic base for the high-efficiency development of enterprises and organizations. This is not a mere idea. We are offering steps that would create all necessary conditions for any person desiring to get into business.

First, he must be protected by law. In such a way that all those who are able to produce material goods today—especially in the area of the consumer market—would start working on these new principles. We intend to make the tax burden on enterprises and organizations considerably lighter. For instance, we propose not to tax the resources enterprises and public organization would invest in any form of developing their business—this should be profitable to them. That is, that they would invest money in heavy machine building and other branches instead of throwing money in the direction of empty store shelves. We will assist in any way possible the development of production and an increased and more efficient use of all capacities. These series of measures have existed in the world for a long time; we are not inventing them, just borrowing the experience. Their substance, I want to emphasize, is in incentives. It

is in, if you wish, nudging and even forcing an enterprise to invest money in production.

Second, we want to promote a faster emergence of an entrepreneurial class—energetic young people. They are already appearing now, but their way is blocked by numerous obstacles and bureaucratic traps.

[Correspondent] Does it not seem to you that many current entrepreneurs are not deserving of respect?

[Silayev] You see, we have never had an environment that would bring out professionals. This is still the stage we have to go through. Therefore we are planning a set of measures that will ensure the material, legal, and legislative support of an individual who has decided to become an entrepreneur. Can you imagine, we still have on the books this, by now laughable, article in the Criminal Code, by which an individual involved in currency operations is in danger of spending three years in jail, and possibly, after repeat offenses, of execution by firing squad. Today this simply sounds savage.

We are not talking about profiteering and criminal actions; we are talking about normal business, including that, for instance, at the currency exchange. By our laws, everything that is being transacted at the currency exchange should immediately lead close to a firing squad.

We are also counting on the press. It should get across the idea that an entrepreneur is not some kind of outcast but a respectable citizen. He is engaged in important business; he does good to the society; with his help, store shelves fill up, which makes life better. This should become, if you wish, a prestige occupation. Of course, this is all much more complex; one has to change the psychology and break stereotypes. Also, the ideological factor here is not of the least importance.

Thus, from an ordinary entrepreneur to large plants and factories, while creating favorable economic conditions for a decisive transition to market relations, including the area of prices—this is one side of the program.

The other side is our intent to move energetically toward privatization, especially in the small business sector. For instance, we believe it necessary already this year to nudge local power organs into privatizing everything related to the crop and to its way to the consumer's table. This includes middleman wholesale warehouses, storage facilities, transportation, stores, and many other things. If we do all that, then in the fall it will not be an army of city dwellers that will descend on the fields to dig potatoes on order; much earlier than that owners of privatized enterprises will go there to negotiate, to sign contracts and agreements. And, believe me, they will organize everything necessary to get the same potatoes to the consumer—there is profit in it for him; he makes money on it; this is the purpose of his life. Of course, there will be a certain resistance in this, but we believe that it absolutely has to be done, preferably by 1 September.

[Correspondent] And what is to be done with the land?

[Silayev] The land is already being distributed in a form of private farms or house-adjacent plots. The problem is that there is no movement of the produce from the farmer or from garden plots to the city. We know of instances when farmers begin a successful operation, and then they have to pour the milk out or to feed pigs with it, because they have no way of transporting it to the city. That is why the whole infrastructure needs to be privatized. Especially the processing of agricultural production. Then there will be no need to take city residents away from their business. There is no similar situation in the world—for the consumer to go to the producer to dig the potatoes for himself.

There is one more very serious question. We are talking about the level of taxes on people's personal income. There have been all sorts of discussions around this issue when the law was being passed. Today, however, the world situation is such that if the top tax rate on personal income is more than 30 percent, people lose an incentive to invest their personal savings into business, into production. Then they begin to invest money in real estate, in becoming rich and accumulating wealth. We propose to use this world experience and to open opportunities for people to invest their money. The crooks now—and they do exist—find ways to conceal their profits anyway, and accumulate money for their swindles in a variety of ways. In regard to them, there are appropriate legal measures to combat them; for honest people, however, all opportunities should be open to earn a ruble without fear that he would be immediately taxed, plus he would be questioned where he got the money.

Look at the lines in front of embassies these days. The people in these lines are mostly young people who are not content with the situation today. They leave and go to the West—to the States or to Germany—and there they earn tens or hundreds times more than they get here. It may end up that eventually they will come to visit us as advisers, or that we will be buying "know-how" from them. But these are our citizens; why cannot we give them an opportunity to work well and to earn well here? Let them earn their thousands with the knowledge that they do not have to hide, dodge, or cheat, and, most importantly, let them invest in entrepreneurial activities—from science and research to production.

Thus, a considerable part of our proposals is related to incentives, creation of favorable economic conditions to put to work market mechanisms, entrepreneurial regimen, the desire to expand production, to make more and better.

[Correspondent] Can you provide more specifics about some points related to the development of entrepreneurship? What new will be in this program?

[Silayev] I would rather not go into details at this point. First, a variety of all sorts of programs is now in the development stage.

Second—unfortunately, any proposals coming from us—even the risk-free ones—usually get a hostile reception. I will tell everything in detail at the congress.

[Correspondent] But here is the problem. The parliament is putting pressure on the government, while the deputies have not even adopted an elementary set of documents for the laws, without which it is impossible to work. Are you not afraid that your program, which will require new laws, will be blocked by their absence?

[Silayev] We can only engage in guesswork here. Today we are not the same government we used to be. I am still a firm supporter of the position that the executive power should organize the implementation of adopted laws and resolutions. We have not used up our potential and have been too shy in defending our positions in the Supreme Soviet. Now we will get involved in it more energetically. We want to introduce a number of proposals that will have to "pass" through resolutions of the Congress of People's Deputies, because the current situation is so complex that some decisions are too much even for the Supreme Soviet.

The Supreme Soviet has a lot of interesting people who possess common sense and who help us and support the government. Therefore, we have no grounds to say today that the parliament would refuse to support the government provided we are persistent, act on common sense principles, and strive for passing some or other decision.

[Correspondent] How did the central organs react to your program?

[Silayev] We have only now finished the final formulation. We heard interesting considerations, comments, and clarifications from the Supreme Soviet Presidium. Thus, we need to fine-tune it without destroying the substance. The Supreme Soviet Presidium supported the main principles, and we are satisfied with the ways they approached the discussion and the evaluation of the whole program. Of course, if it possible to find a compromise and to come to an agreement with the Center, we will do so. We are discussing proposals to give economic independence to many enterprises that are part of Union structures. We do not want to simply transfer them to our control—as we have been accused of for a shamefully long time.

[Correspondent] But R. Hasbulatov said that the parliament wants to transfer enterprises that are located on Russian territory into Russian jurisdiction.

[Silayev] These are different things—jurisdiction and control.

This means that they work by our laws and pay taxes by our laws, as it is done in the rest of the world. Therefore, we are not talking about control; we are talking about economic influence. Our program counts on this. As long as enterprises work under the direction of the industry branch or another structure that interferes, imposes, and deprives them of freedom, there can be no talk about a

market. In the market environment, enterprises must be free in the economic sense. Of course, this process needs to be under regulatory influence through state laws and preferences, but to engage in market relations we need first provide true freedom.

That is why we are working to free enterprises of all scale in the economic sense from the branch structures. They should not be imposed on in any sense. We do not intend to manage them; we intend to interact with them through economic methods. There is a reason to hope that we can build a certain plan of such transition into the RSFSR jurisdiction. I have hope that we will find a common language with the USSR Cabinet of Ministers.

But, of course, not everything can be resolved and coordinated. Therefore, much depends on the structure of the Union Treaty. It will determine the relationship, functions, and separation of activities. Meanwhile, specific solutions may be found while we are moving toward the treaty.

There is something else I wanted to mention. Take any program, of any party or public organization. All of them say the same thing—the market, and making life better for the people. All of us are for it. But for some reason we are in opposition to each other. This is wrong! Therefore, our program is aimed at the consolidation of all forces. All—from the Russian Communist Party, which pours wild criticism on us while not offering anything of its own, and any other forces. We are ready to work with anybody in the implementation of our program, the purpose of which is to provide proper living standards for the people. We believe that if Russia is well off, the Center and the republics will be well off. Therefore, there is no need to criticize us (if on substance, of course, then there is). For the sake of preservation of the Union and of Russia. Having in mind the role, scale, and weight of Russia, only through the strengthening of Russia can economic development become the basis of normal functioning of the economic space on the scale of the Union.

[Correspondent] Can you tell us of other avenues of the stabilization of the Russian economy?

[Silayev] Some steps in the direction of stimulating business activity is a structural reorganization of the economy, by closing inefficient, while at the same time starting or expanding efficient, enterprises; combating inflation in that part of it that is the result of pumping enterprise income into the consumption sector. It is a privatization of the infrastructure that serves agriculture, and the creation of holding companies on the basis of industrial enterprises, and distribution of holding companies stock among the adult population of the republic.

We are planning to replace barter with a civilized monetary market. We need to create market criteria of producers' efficiency, free them from the administrative control that is the price they pay for credit. For this purpose, we plan to introduce a republic tax on credit as a way of reducing demand for money and stimulating the

closing of inefficient enterprises. We need to restructure the entire tax and budget policy, and to reorient it toward the fulfillment of the tasks of the stabilization of the economy. For this, we intend to conduct a flexible tax policy, directed at the stimulation of entrepreneurial activities and creation of a housing market, through which we will receive additional resources to build housing for low-income strata of the population.

An important link in the chain of these measures is an effective investment policy. The government plans to decisively put an end to stretched-out construction projects, and to privatize them by selling them to interested parties. At the same time, at the end of last year and in the beginning of the current one, the RSFSR Council of Ministers adopted a number of decisions to ensure the effective work of the construction industry. For instance, preferential treatment is stipulated for construction workers both in terms of salary and social guarantees. The program gives priority to housing and socio-communal construction. At the same time, we have to go by the principle: we have to live within our means. What do we mean? To put it simply, each enterprise that has a claim on substantial housing and social construction projects must earn the money to pay for it first. We intend to move away from the high centralization of capital investment. A market assumes supply and demand. This principle should work in full measure in capital investment, too.

Speaking of the construction industry, it should be noted that it is here that we have the worst disproportions that create a heavy burden on the entire Russian economy. We have to base our plans in reality—this is part of the program. This means that in the environment of expanding independence of the territories the focus of the investment policy should be moved directly to localities, to the local soviets. They are the ones to determine the priority of some or other objects under construction. The already adopted republic budget contains precisely this option.

In conclusion I would like to note that the situation in construction, as well as in the entire Russian economy, cannot be improved without very close contacts with the Center and with other republics. As I have already mentioned, some ways of moving closer to each other have already emerged. The objective necessity of getting the country out of the crisis will force us to go this way.

Dagestan Sociopolitical Tensions Described

91UN1913A Moscow KRASNAYA ZVEZDA in Russian
8 May 91 First Edition p 2

[Article by KRASNAYA ZVEZDA special correspondent Lieutenant Colonel S. Pashayev: "A Stone Thrown From a Steep Slope Cannot Be Stopped"]

[Text] Anxious expectation—this perhaps is the way to describe in two words the situation that has developed in the spring of this year in Dagestan. It seemed that the alarming winds of social cataclysms for a long time

bypassed the small mountain republic, literally and orally nicknamed the "bouquet of fraternal peoples," and "an example of friendship and internationalism." Although, of course, there were no less, if not more, problems here than in any other region of the country.

Take the many nationalities and many languages of Dagestan. It is not difficult to imagine what hidden tensions were evoked in the mass social conscience, for example, by the personnel appointments to high administrative and party posts. The number one question frequently was not about the merit of a candidate, but who is he—an Avar, Dargin, Lakh, Lezghian, Kumyk? Or how sharply and painfully the slightest imbalance of attention to the culture and literature of one of the numerous nations here is perceived. After all, one's own newspaper, one's own voice on television or radio, and one's own theater are not simply a channel of information, but most of all a subject of pride and an element of national prestige.

In this complicated world of interethnic realities and conventionality, and in the complex system of counterweights and balances, should an intentional or inadvertent injustice occur, the powerful driving belts of partly forgotten, and dim but still vital historical traditions could begin to work unpredictably. Add to this a shortage of arable land, a surplus of working hands, an economy rife with problems, and the eastern emotionalism of the people associated through intricate blood relationships. It seemed, strike a match and everything and everyone will catch fire at the same time, scorching both home and destiny with an incinerating fire of hostility. But it did not come to fire and to conflagration in former years, and no conflict was marked here for the present. The pouring rain of perestroika's bad weather from time to time washed away and laid bare the hidden, silent mine field of history. And it is now, at the turning point, on the boundary line of time, that the timing mechanism of a powerful charge of social tension, laid in the land of Dagestan in the remote 1940's, was activated and began to tick. Here, for example, is a document, frightening in its content, that was signed by M. Kalinin and A. Gorkin on 7 March 1944:

"No. 116/102. Without publication. Ukase of the USSR Supreme Soviet Presidium about the liquidation of the Checheno-Ingush ASSR and the administrative organization of its territory:

"In connection with the fact that during the period of the Great Patriotic War many Chechen and Ingush betrayed the Motherland, went over to the side of the fascist occupiers, joined the ranks of saboteurs and intelligence agents who were infiltrated by the Germans in the rear area of the Red Army, and established armed bands on the order of the Germans to fight against Soviet authority, and, also, taking into account the fact that many Chechen and Ingush over the course of a number of years participated in armed attacks against Soviet authority, and over a prolonged period, not being employed in honorable

labor, carried out bandit raids on kolkhozes of neighboring oblasts, robbing and killing Soviet people—the president of the USSR Supreme Soviet decrees:

"1. Resettle all Chechen and Ingush living on the territory of the Checheno-Ingush ASSR, and also in adjacent rayons, to other rayons of the USSR, and liquidate the Checheno-Ingush ASSR."

The monstrous accusation, lacking a basis of proof, and elementary legal justification, and criminally unleashing suffering and unhappiness on two north Caucasus peoples, is in itself still an unplowed field for scorching publicist pens. But it should be noted that this is only part of the tragedy. After several days, V. Molotov signed another document.

From instruction No. 5473-rs, the USSR Soviet of People's Commissars, 11 March 1944:

"Make it incumbent on the Soviet of People's Commissars of the Dagestan ASSR to resettle by 15 April 1944, 1,300 kolkhoz organizations from the mountainous rayons of Dagestan to land vacated after the resettlement of the Chechen from the Aukhovskiy Rayon of the Dagestan ASSR, and ensure the conduct of spring agricultural work by the aforementioned organizations."

It is worth mentioning how this instruction was carried out. Thousands of residents of the mountainous villages of the Kulinskiy, Lakskiy, and Kazbekovskiy rayons, who were not asked their wishes or consent, in a literal sense of the word were forcefully uprooted from their native places. A minimum of time for assembly, one bullock cart for the meager belongings for three families, and many days of a tortuous road to the plain, to uncertainty. But it was a year of war and hunger, the men were at the front, and there were migrants—women, old and small. And there is no road back—the ancient villages were destroyed immediately, torn down, and to this day there are ruins overgrown with weeds in their place.

They arrived, limped in, and settled down in the former Chechen villages—ruined, impoverished, and retaining traces of the barbaric deportations—but this is not all. The climate of the high mountains and the lowland plain are not at all the same thing, plus undernourishment, illness, back breaking and unusual labor, repressions.

Forty-seven years have passed since that time—a long time. Novolakskiy (the former Aukhovskiy) Rayon has been reorganized. The kolkhozes became stronger and got on their feet, and new homes, schools, hospitals, palaces of culture, and roads appeared on the land here. Now, more than half of the population considers the former Chechen villages to be home—here they were born, studied, worked, married, had children, and buried relatives. From the tokens of the past, only the Chechen cemeteries are untouched and preserved, and the old structures, of which, however, there are not many—about 17 percent of the total housing fund.

The defamed people decided to return from their endless exile at the time of Khrushchev's "thaw." The ukase of the USSR Supreme Soviet presidium of 16 July 1956 stated: "Strike from the registers the special resettlements and remove from under the administrative surveillance of the USSR MVD [Ministry of Internal Affairs] the Chechen, Ingush, Karachai, and members of their families who were resettled in special resettlements in the period of the Great Patriotic War."

The long-awaited document, however, was a half measure, inasmuch as it said that "removal of the restrictions...does not entail the return to them of property confiscated in the evacuation, and they do not have a right to return to the places from which they were evacuated."

In Dagestan, the Chechen settled down in a rayon that is adjacent to the rayon in which they formerly lived—Khasavyurtovskiy Rayon. Subsequent decisions and decrees stipulate measures to ease the situation of these people. Jobs were found for the returnees, homes were redeemed for them, and plots for building, funds, and monetary sums were allocated for them. However, the main and most critical question associated with the full rehabilitation of the oppressed peoples (with all of the social, legal, political, and property consequences that result from this) have still not been resolved to this day. It fell to the perestroika times.

But not waiting for legislative settlement of the problem, and citing the fact that the store of patience of the people has been exhausted, representatives of the Chechen community of late have more and more persistently begun to demand the removal of all restrictions on the return to their native villages.

"It is necessary to understand people whose native land was taken away from them by force for many years," I. Chergizbiyev, people's deputy of the Dagestan ASSR and chairman of one of the commissions of the Supreme Soviet of the republic, said to me. "Decades have passed, but justice has not triumphed. It is being measured out in doses, and it is being filtered out in drops. How long can this last? We are tired of waiting."

He agrees that not everything can be changed very quickly. For a start, the deputy thinks, it is necessary to restore the rayon to the 1944 borders, to return the former names to it and to the villages, and to begin a planned return of the people. Chergizbiyev is convinced that this is the correct way, and that it is not fraught with confrontation or with conflicts. Indeed, it will be difficult, and there is no surplus land here, but the Chechen will get along together with the Lakh and the Avar.

The present residents of Novolakskiy Rayon have a different point of view on this score. A. Nakhayev, chairman of the rayon soviet and first secretary of the rayon party committee does not conceal his anxiety:

"When the population starts to increase and resettle, and when the talk starts not about a move, but about reallocation, strife will be unavoidable. There already are signals that the situation will break out of control, and things have to be looked at realistically. But the situation is not hopeless. Our people, in fact, are not guilty of anything before the Chechen, and they are also victims who are ready to meet halfway. Very likely this is a unique case in the history of interethnic relations, when people agree to liberate somebody else's land. It could have been debated and proved that practically everything here was created with our own hands, and that the rayon is not suffering—it is strong and profitable. But after thinking about and weighing everything, we agreed: there will be neither happiness nor peace on this land. It is not we who will resolve this problem—it will become the legacy of our children and grandchildren. Indeed, the moral and religious laws dictate such an approach for the mountain dwellers. But the main condition here is to reject emotions, and not to do damage in haste. It is not for just two families to move out—thousands."

He believes that it is necessary to begin not with renaming, which arouses passions, but with a fundamental decision on a Russian and republic level. The assistance of the state is necessary—it is necessary to decide the question on the allotment of free land, and to begin the construction of villages and the creation of an infrastructure. The rayon as an administrative and political unit should be retained.

Unfortunately, today these two approaches do not coincide very much. On the one hand, the appeals can be heard "now and immediately." And not only appeals, but threats also—if they do not give it, we will go and take it ourselves. On the other hand, this evokes both concern and protest, and reciprocal emotions. A process of self-agitation is going on. "Liberation" detachments of volunteers are being established here, and, there, defensive detachments. Weapons are being gotten and purchased hastily, of which, as experienced people note, there are enough for a local but bloody dissension. A kind of mobilization work is also being conducted that could surprise a professional. Not long ago, on the signal of round-the-clock duty observers, more than half a thousand volunteers of one of the sides was put under arms. The signal turned out to be false, but they assembled for "war" in earnest. And if there were an appropriate command and a stone was thrown from a steep slope, this inevitably would have caused an avalanche.

It is not possible to say that soviet and party organs of the autonomous republic and the RSFSR are not worried about the worsening conflict. The question, as the saying goes, will not get off the agenda. The fact that no shots were heard up until now in the former Chechen rayons is evidence that the traditional cushioning mechanisms have been activated here in full force. Many versions of the resolution of problems are being analyzed and checked for the legislative settlement of disputes. But it is very obvious that the resolution does not promise to be easy.

At a recent crowded rally in Makhachkala, it was said by one of the leaders of the republic that the "move" of the Novolakskiy Rayon will cost the state treasury at least [?]00 million rubles [figure illegible]. The sum is beyond the ability of the republic. And, after all, the problem cannot be resolved with rubles alone, fund materials are necessary and a construction base. And also what is rather important, those same free lands are needed on which settlements will have to be built for the Novolakskiy residents. Taking into account the fact that the restoration of the former mountain settlements and the laying of roads and communications to them will amount to astronomical sums, there is talk about territory on the plain.

At first, a suitable place was found rather quickly in unsettled rayons to the north of the capital. Here, based on pasture sheep folds, it would have been possible to set up a rayon oriented on agricultural production. However, the representatives of another people of Dagestan—the Kumyk—immediately declared their dissent with this version. Their informal leaders believe that the allocated territory historically belongs to them, and that the Kumyk will not permit their takeover by another people. This denoted a new turn in the conflict. I dare suggest that it is not the last.

I happened to be in Dagestan at the time when a special commission of the RSFSR was working here. Its trip here preceded a meeting of the head of the Russian parliament, B. Yeltsin, with a Dagestan delegation in Moscow and representatives of the Chechen in Kislovodsk. The aim of its work was to study and resolve problems on the spot that were associated with the rehabilitation of oppressed peoples, including the Chechen-Akin. The Dagestan ASSR Supreme Soviet held a meeting of the members of the commission with the representatives of the people living in the Khasavyurtovskiy region. The meeting, undoubtedly useful, was concluded with the signing of a joint conciliatory protocol. It would seem that at least a little progress was made. But, no. N. Medvedev, the leader of the group and chairman of the commission on national-state organization and interethnic relations of the RSFSR Supreme Soviet, had not even left to fly out of Makhachkala for Moscow, when a telegram was immediately sent to B. Yeltsin from the Chechen: We refuse to cooperate with Medvedev. One more indication of how critical, painful, and guarded every word here is perceived, and with what suspicion any nuance is interpreted in the position of a "third" conciliatory force.

We will not begin to guess what solution will be found. The main thing is that there should be one. The next step in the way out of the crisis became, judging by everything, the law that was adopted by the RSFSR Supreme Soviet on the rehabilitation of oppressed people, which outlined ways of resolving territorial, political, material, social, and cultural problems of those who were victims of the tyranny of Stalinism. Also important is the fact that the leadership of the Russian Federation clearly defined its position in this situation: the question on the

restoration of the national-territorial borders "must be resolved in a civilized way," and, in the coordination of the interests of the peoples, "it is necessary to go through a number of stages."

There is no other way. After all, you cannot stop a stone thrown on a steep slope.

Deputy Minister on Transport Structure

914H01954 Moscow TRUD in Russian 24 May 91 p 2

[Article by A. Chereshev: "A New-Fashioned Ministry: Will It Cure Russian Transport's Old Ailments"]

[Text] Imagine a branch ministry to which not a single enterprise is subordinate. An April 1st joke! An absurdity? Not at all. In Russia's recently established Ministry of Transport, moreover, they think that this form is closer to the Western economic model which we have recently begun to examine so frequently. The secret is simple. Instead of an exclusive administrative structure that engages in economic matters and state management of its activity and emerges simultaneously as the customer and contractor, we have a purely state legal regulation agency.

G. Matyushov, Russia's deputy minister of transport, says: "At the end of last year, a number of ministries, which essentially formed the republic's transport road complex's structure, were eliminated. These were the RSFSR Ministry of Motor Transport, the Russian Ministry of the River Fleet, and Ministry of Highways. The branch ministries were not in a position to carry out the tasks placed upon them primarily because of their departmental nature. Let us take, for example, the Ministry of Highways. It, itself, ordered work, designed, itself built, and itself accepted roads, that is, it was essentially a monopolist in its field. In the final analysis, the consumer suffered from this. With such an organization, you see, departmental interests almost always prevailed. That is why Russia's government adopted in October of last year a decree about reorganizing the branch ministries into voluntary concerns to whom all economic functions would be 'farmed out.' We, the ministry, engage in establishing a common state system for transport problems and regulating legal relationships in this area without interfering in the economic life of the enterprises. The range of tasks facing us is extremely broad. There is the development of a concept for transport's development and the establishment of new legislative and legal acts, standards and norms defining the work procedures of all types of transport regardless of the type of ownership. The approval of rules, statutes and other normative documents on questions concerning the shipment of freight, passengers, baggage, and mail and much more is in our jurisdiction."

D. Polovinchik, chief of the legal department, continues the thought: "Our ministry is not an economic agency but a state management one. The concept of 'limited relations,' that is, a system of legal limits for the activity of the branch, exists in practically all the countries of the West. It is in their establishment that our main task lies.

In this respect, we should not allow a tilt toward either the producer or the consumer. The main thing for us is to be at the junction of interests and help with a series of laws, decrees and acts; stimulate the branches' development; and defend the rights of citizens—not with slogans but concretely. Of course, nothing can be done immediately at one stroke. However, we must come to this gradually. First of all, it is necessary to develop a system of requirements. Unfortunately, we cannot simply take Western analogues and transpose them to our soil. If we did this, 90 percent of the motor vehicle pool would have to be placed 'near the fence.' Imagine what would begin after this."

"The first thing established was licensing. We introduced such a system in seven of the republic's oblasts this year. For example, an individual can derive income from transporting people. However, before issuing him a license for this type of activity, we must certify whether his transport is suitable for this. If not, there can be no talk of any license. In addition to this, it is necessary to redo all legislation connected with transport. You see, the existing regulations—both motor vehicle and river—are fruits of the old system where the client is nothing. We are proposing a qualitatively new level of relations. In any case, you see, our entrepreneur regards the receipt of profit as being of paramount importance. Everything that is pleasing can stand behind this. We will be able to regulate this question in order to maintain a relationship of equal rights between the entrepreneur and the client. I will explain by again using an example from the experience of other countries. The government stipulates that motor vehicles, satisfying certain parameters (technical, ecological, etc.) can be operated on the territory of the country or of an oblast. If an entrepreneur wants to make other motor vehicles and deliberately does this, he will not be able to sell them in that country—certainly. If does not, he will be forced to build under the limitations existing on that territory. In this form, of course, this model is still inadmissible for us. However, a true principle has been laid down. It must be transferred both into the service area for transporting and delivering goods and to taxis—in a word, into all branch areas.

As has already been said, the decision to establish the Ministry of Transport was adopted in October of last year. However, its work actually began quite recently—the staff of employees has only begun to be filled and the statute on the ministry was approved only at the end of March. However, something is already being done today.

A session of the republic's Supreme Soviet will soon examine a draft law on road assets in the RSFSR. It will permit the receipt of steady nonbudgetary sources for financing road construction and their purposeful use. You see, the present condition of our roads already does not even satisfy the lowest standards. At the end of April, the ministry's Collegium discussed the question of privatization in transport. The main avenue is the issuing of stock in large transport enterprises to work collectives or their leasing and subsequent redemption. Versions of private ownership of transport assets are not being

excluded; you see, the opportunities for entrepreneurial activity are extremely broad in this area of activity.

Work is also taking place on establishing a freight carrying system in the republic having the main task of servicing the consumer. To do this, the establishment of a common transport and forwarding structure is being proposed. A similar service is now being broken up in the departments. If one manages to bring together the services of all types of transport "under one wing," freight will arrive on time and transport assets will not stand idle.

One project, about which I would like to talk in particular, is being prepared today. I have in mind the draft RSFSR law on state mandatory civil liability insurance for owners of motor transport assets. Russia has more than 18 million vehicles and their number is constantly growing. Unfortunately, each machine is the source of increased danger. Their operation is attended by many accidents and road transport events involving not only material damage but also injuries and the death of people. The procedure, which the existing legislation provides for, far from always satisfies the indemnification for the caused loss. The material position of the party guilty of the accident also hinders this; there is a multitude of other reasons.

If we turn again to world practices, mandatory civil liability insurance has been introduced in almost all countries in order to guarantee the material interests of the victims and their families. There is still no such structure in the Soviet Union (and in Albania)—and this with our "war on the roads" where the number of road transport accidents on the streets of the Russian Federation reached 197,000 in 1990. More specifically, 35,000 people died and 215,000 were injured. The draft, being developed, proposes that similar rules be introduced on Russia's territory on 1 January of next year.

I will not go into the details. I will only talk about the essence: indemnification for the damage caused to people as a result of accidents on the roads will take place through an insurance fund established from monetary fees paid by motor vehicle owners. The republic's Council of Ministers is establishing the size of the insurance payments. When a driver has operated his vehicle for three years without an accident, a reduction of 25 percent is given to him; for five or more years of accident-free driving—40 percent. It seems that the republic's Supreme Soviet will approve the draft law. A law on traffic safety is also on the way.

Let us return, however, to the ministry. Not having spent even an hour in its walls, I understood—ideas and drafts do not interest these people. Not ideas for the sake of ideas but really timely and needed proposals for regulating transport work in the republic. A question has just arisen: Are there enough forces to bring the matter that has been begun to an end and achieve tangible results? You see, it is not so easy to move a bulky and cumbersome object, which has taken shape for years, from "a

stand still." In our unstable and raging time, it is difficult to plan ahead even for a few years. However, those, with whom I have managed to talk, do not consider this a cause for inaction. Sooner or later, under this condition or that, it will be necessary to begin something. But time—time will tell.

ROSSIYA Reports Ruskoy's Stance on Issues

91UNI715A Moscow ROSSIYA in Russian No 20.
25-31 May 91 p 2

[Report on vice presidential candidate Aleksandr Ruskoy's news conference recorded by Boris Kudashkin: "Aleksandr Ruskoy: 'I Am Quite Tough. And Have a Loud Voice'"]

[Text] Born in 1947. A colonel of aviation. Several areas of higher military education (the Barnaul Higher Pilots' Military Aviation School, the Gagarin Air Force Academy, USSR Armed Forces General Staff Military Academy). A participant in the war in Afghanistan, where he commanded an air regiment and was deputy air force commander. Member of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet Presidium. Chairman of the RSFSR Supreme Soviet Committee for Invalids, War and Labor Veterans, and Social Protection of Servicemen and Their Families; chairman of the board of Vozrozhdeniye—a foundation for Russia's social development. Assertive political activity began at the Third Special Congress of People's Deputies of Russia, at which he sponsored the creation of the "Communists for Democracy" parliamentary group, whose principal aim is consolidation of society's progressive forces for radical transformations in Russia.

B. Yeltsin named his vice presidential candidate. There was a natural splash of interest: Who is he? It so happened that, suspecting nothing even 24 hours prior to the name of the vice presidential candidate of "Yeltsin himself" being made public, Aleksandr Ruskoy, chairman of the Committee for Invalids, War and Labor Veterans, and the Social Protection of Servicemen and Their Families and leader of the "Communists for Democracy" parliamentary group, had himself evinced a desire to meet with representatives of the Soviet and foreign press. The answers to the questions were essentially transformed into a kind of Aleksandr Ruskoy confession and a communication of his "credo" on the painful issues of today's dynamic daily occurrences. And this was now supremely opportune. So, for what does he stand, Boris Yeltsin's running mate, for what is he campaigning?

"Pet project"—invalids, participants in the past two wars, labor veterans, the elderly and those who are in fact today below the poverty line. In respect to this, unfortunately, vast category of his fellow citizens Aleksandr Ruskoy is for strong social safeguards. Safeguards, precisely, not "defense" or handouts. He says: "It is bad when concern for invalids and veterans is of the nature of defense. This means fighting, dislodging and 'trenches' instead of a

benevolent and planned: 'Here you are, you are entitled.' No better either is something else: 'Wait until Tsar Gvidon tosses you a crust from the kindness of his heart.'"

The following emotional remarks of A. Rutskoy convey his ardor as a champion of social safeguards: "We should be ashamed that in our country it has reached the point of our veterans expending what forces they have left in order to survive." "It is disgraceful that in Finland, the United States, and even in vanquished Germany war and labor veterans have pride of place, but what kind of place do they have with us?" "Invalids of the USSR are social odd men out." "They have, in fact, been separated and driven into house arrest." "Although society has hardened its heart in respect to veterans, it is a fact that they created our economy, and it is not they who are to blame for what has eventuated but the government and the CPSU."

A. Rutskoy rejects the idea of "charitable soup-bowl beggary" and is for creating the mechanism of a charitable economic system.

Some priorities in the process of the inception of the new economic system.

Aleksandr Rutskoy was pleased to announce that the committee which he heads sponsored the foundation for Russia's social development. He supports an economic strategy, the result of which will be and is already becoming the creation of Russian business circles both within a sovereign Russia and overseas; the training of modern entrepreneurs and stimulation of this process; a privatization investment bank ("How can we privatize if there are no savings?"); the building of a single Russian banking system; the founding of a currency market ("Our present currency granaries are sand, into which everything disappears").

But he is not without a contradiction. On the one hand, he goes quite far in the direction of the idea of a West European-style market: he agrees that investors have a right to monitor whither and for what their investments are going. On the other, he is for privatization, but under public control and, going on to argue in this fashion, proves himself to be in the field of resounding cliches so painfully familiar to us: privatization needs to be effected in the way that the people see it—under public control ("a leader who can accomplish anything without the people has yet to be born").

Subject of meditation—attitude toward the CPSU. Twice Aleksandr Rutskoy repeated: "I am not for splitting the CPSU"; "We will be in no hurry to abolish the CPSU"; and he explained: "There is much that is good and much that is bad in the CPSU. I reiterate constantly: the CPSU is a party which has been shot at and which has done its share of shooting." Rutskoy's position: essentially a purge per a moral criterion. He believes that a "surgical operation" is still possible: lop off that which is from the devil, from the grim inheritance of the executioner-party, the antidemocrat, leaving that which is healthy

and moral, and a reborn CPSU is still capable of watching over the good of the people.

Concerning the paths of recovery of the CPSU he cuts with the straightforwardness of a regular military officer: abolish the oblast and city party committees, the rayon party committees are necessary, but in order that the primary party organizations may determine how many full-time rayon party committee officials to have and whom to pay how much. The primary organizations, on the other hand, should be politically empowered and not become mixed up in questions of economics but involve themselves in ideological activity.

He becomes heated when he talks about the use of party funds. He believes that a just instrument of their distribution is needed here: this is the people's money, and it should not go on partocratic "vacationing."

To a question concerning the CPSU's repentance he replies that it was necessary and that this should have been done at the 28th congress, but this was not, alas, the case.

He does not consider himself a Utopian in hoping that an efficient vanguard will improve the health of the CPSU. He sorrowfully acknowledges that society has overtaken the CPSU and has moved ahead in perestroika. There can be no delaying, the CPSU needs to be cured before society rejects it conclusively and asks point-blank: Why do we need such a "tailist" organization. A slip of the tongue of A. Rutskoy, who refutes the impasse of search, is symptomatic: "If it is not possible to improve the health of the CPSU, we have an opportunity to create a new party."

He has his own idea of depoliticization and de-party-ization in the armed forces. This process should not today be forced: it is not the right time. It should move forward, but gradually, under supervision. We are moving toward this, but we should not spur on events. Although let those which are "ripe" be depoliticized even now.

Aleksandr Rutskoy adopts a respectful, but, seemingly, patronizing attitude in some respects toward the parties of "democrats" which are left of center and further left. There followed a question as to whether the "Communists for Democracy" parliamentary faction was not a second "Democratic Platform." Aleksandr Vladimirovich replied that he was profoundly respectful of the "Democratic Platform," but believes that its supporters have made a "colossal mistake": There has been no due connection with the public organizations and communist and nonparty masses. (Are they "dreadfully far removed from the people?"—B.K.)

Concerning extremism A. Rutskoy answered laconically: "I am against it, against attempts and secret plans to seize power, against embitterment." Nothing will come of it either for the "new Bolsheviks" (as the question was framed) in their endeavor to halt perestroika in the name of restoration of the "values" of October 1917. But

Lenin is for A. Rutskoy a clearly respected leader, and misfortunes came from the fact that his successors were unable to attach due significance to Lenin's criterion of it being impossible to build socialism without economic estimates and calculations (a nonverbatim paraphrase of Lenin's words by A. Rutskoy).

A. Rutskoy spoke fervently of his devotion to Boris Yeltsin and recounted how he had moved in his attitude toward this figure from a "50:50 ratio" to an exclusively high evaluation ("I would speak with him impartially. He never took offense and would answer: 'I agree with this, we'll investigate further, we'll take a look'").

Concerning the tactics of the "Communists for Democracy" group. They will amount to preventing the "Communists of Russia" emasculating the law on the presidency or postponing the presidential election.

Concerning Aleksandr Rutskoy as he has acknowledged and shown himself to be. He appeared no stranger to sentimentality and a "hussar's" sensitivity. He simply could not grasp how it was possible in the place of Goryacheva and her accomplices not to have immediately resigned following the spiteful attack on the Russian leader, which was not supported by the majority. A. Rutskoy "theatrically" exclaimed in this connection "Here in Rus, were anyone to have overstepped the bounds of honor and morality, he would have put a bullet through his own head."

Also seeming to be a tribute to abstract cliches of long standing was his answer to the question of what a modern leader should be like: "A person of strong will with a conscience relies on the people's masses and has authority."

He is not without his authoritarian side and admits this himself: "I am quite tough. And have a loud voice." Recalling that this minister or the other had under B. Yeltsin's rival Nikolay Ryzhkov fallen asleep during meetings, he observed "With me he would have fallen asleep for good."

Goskomstat Housing Construction Figures

914D02294 Moscow *RABOCHAYA TRIBUNA* in Russian 6 Jun 91 p 1

[Unattributed article: "While Life Stands Still at Construction Sites in Russia"]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] State Committee for Statistics reports a drop in housing and sociocultural construction volume in the republic in 1991. Dwelling space totalling 5.8 million square meters was put into operation using state capital investments over the period January-April—this comprises only 76 percent of the amount of commissioned dwelling space for the same period last year. General-education schools were put into operation over this period for 21,000 pupil spaces (91 percent), preschool

institutions for 14,300 spaces (72 percent), hospitals for 887 beds (50 percent), and polyclinics for 7,800 visits per shift (72 percent).

In Bryansk, Ivanovo, Smolensk, Astrakhan, Samara, Tomsk, Kurgan, and Amur Oblasts, in Krasnodar Kray, Dagestan ASSR [Autonomous Soviet Socialist Republic], Tuva ASSR, Kabardino-Balkar SSR [Soviet Socialist Republic], Tatar SSR, Buryat SSR, and the Checheno-Ingush Republic, rates of housing construction have dropped to half their previous level or less.

State Housing Sales Start in Kursk

914D02298 Moscow *IZVESTIYA* in Russian 25 May 91 Union Edition p 2

[Article by Vladimir Kulagin under the rubric "Direct Link": "The Housing Market Has Opened Up"]

[Text] Kursk—Units in state housing fund apartment buildings have begun being sold in Kursk.

The city executive committee has established prices depending on location and degree of comfort of the housing. And so, a one-room apartment of 17 square meters in the city center costs approximately 13,000 rubles. But the buyer need just cross the Seym River to the city's industrial area and he will obtain a two-room apartment for the same amount of money. And in Kirovskiy Rayon, such a two-room apartment will cost half the amount.

"The sale of municipal housing in no way encroaches upon the interests of those on the waiting list for apartments in the state fund," states Sergey Rudakov, head of the city housing administration. Moreover, part of the money made on the housing market will go towards strengthening the city's construction organizations and expanding housing construction.

Moscow Labor Exchange Report

914D0229C Moscow *IZVESTIYA* in Russian 5 Jun 91 Union Edition p 2

[Article by Viktor Belikov, from the Moscow City Soviet "A Labor Exchange on the Eve of Unemployment"]

[Text] At a session 4 June of the Moscow City Executive Committee [gorispolkom], examination was made of measures being taken by city authorities to soften the consequences of the unemployment in the capital which is imminent.

Unfortunately, the prospect of complete or partial loss of work is entirely real for many Muscovites and not far away. Already this year because of reduced personnel rosters, decreased production volume, retooling or closing of enterprises and scientific establishments, assistance will be required by almost 300,000 city residents in finding jobs, job retraining, or social protection assistance.

The Moscow Gorispolkom has established the Employment Center and Labor Exchange in timely fashion. These entities will soon obtain for their use a building in the center of the capital, at 8 Ulitsa Rozhdestvenka, near the Kuznetskiy Most metro station. Rayon departments of this service will also receive and process visitors here.

Two million rubles [R] of the city budget have been allocated for the first steps, the most necessary measures in getting employment fund activity started. As stipulated in resolutions of the Union and the Republic Supreme Soviets, however, the main funding must be appropriated from the USSR and RSFSR [Russian Soviet Federated Socialist Republic] State Employment Assistance Funds. These funds have not as yet been established, which fact threatens to undermine the program of social security and protection for citizens who have lost their jobs.

The Moscow Gorispolkom has directed its economic and financial services to take emergency measures in finalizing formation of the Moscow Population Employment Fund, having obtained the consent of Union and republic governments to use deductions amounting to one percent of the city wage fund for this purpose. In the opinion of specialists, this should provide up to R350-400 million per year.

Meat Prices Reduced in Stavropol Kray

914D0229D Moscow *RABOCHAYA TRIBUNA*
in Russian 18 Jun 91 p 1

[Article by P. Borisov: "Prices and Us—A Little Bit Better"]

[Text] Stavropol Kray—The Stavropol Kray Soviet of People's Deputies has decided to lower meat prices in consumer cooperative trade enterprises. The decrease is not great—from 10 to 8 rubles [R], but the trend is inspiring! What has caused this?

The fact is, prior to 2 April, the food situation in the kray was better than in other regions. A kilogram of meat could be bought for R10 on the market, or R3.50 if you were to stand in line at a firm store. Thus, the April price chaos came to the kray not at a time of empty store shelves and counters. One could even observe a certain overabundance of goods with the threefold price increase—the plank had to be lowered, if only at the local level.

A great deal of work was also accomplished recently in the development of personal auxiliary farm plots. Lots and kitchen gardens were procured by 740,000 families. Sold to residents were 30,000 head of cattle, a half million piglets, and 800,000 sheep. Nor were fodder resources forgotten—last year's harvest was gathered here without losses and village residents received more than a million tons of grain as "payment in kind." They are allotted meadow land and obtain assistance with fodder. Why not have a cow and pig outside? And a third more birds are kept in the yards this year than last.

Local organs of power are seeking opportunities to soften the April blow. The Stavropol City Executive Committee adopted a resolution on price stabilization in student dining facilities. An independent compensation payment twice the state amount was introduced at the motor vehicle trailer plant and other enterprises. A charitable assistance fund for unprotected segments of the population was established in Pyatigorsk. Nevinnomyssk allocated R1.2 million as school nourishment compensation. At the fixtures, brick, and insulation plants in Georgiyevsk, half the cost of workers' meals is paid by the enterprises. Public kitchens in Yessentuki have received support in the amount of R1 million. It is just a drop in the bucket, of course, but even this is very expensive right now. And something else—transportation in most cities of the kray is still five kopeks. Of course, this is mainly of psychological value. As they say, five kopeks isn't much—but it's nice.

Kozyrev on RSFSR Foreign, Interrepublic Ties

91UF08724 Moscow *LITERATURNAYA GAZETA*
in Russian No 23, 12 Jun 91 pp 1-2

[Interview with Andrey Vladimirovich Kozyrev, Russian minister of foreign affairs, by *LITERATURNAYA GAZETA* correspondent Vladislav Yanelis: "We Gained Independence Through Great Suffering"]

[Text]

[Yanelis] Russia declared its sovereignty a year ago. I think that few of the people's deputies who voted for the restoration of the republic government at that time realized how far this sovereignty would go. The center loomed ominously over Russia and was not pleased by the awakening of autonomy in its former vassal republics. Nevertheless, the past year showed that sovereignty, or actually the movement for it, is not that impossible. Am I wrong?

[Kozyrev] No, you are not wrong. We have come a long way in a year. From romantic dreams about sovereignty to a sober awareness of ourselves as a sovereign state and a realization of Russia's place in the new union and the union's own place in Russia. I believe that Russia was historically destined to play the role of a great power and should not wander the world with its hand outstretched. Even if a nearsighted policy caused people in the Soviet Union to forget about this temporarily, sovereignty is helping us remember.

I think that the direct elections of the president of Russia were also made possible largely by sovereignty. And think about the transfer of the miners to Russian jurisdiction. In short, we have seen the beginning of the process of political recovery and radical changes that should make qualitative changes in the life of the people living in Russia and the Union.

[Yanelis] Have there been any changes in the treatment of Russia by foreign states?

[Kozyrev] I would say it is changing. Many Western leaders can see that they will soon have to deal with the Russian leadership on the governmental level and reach decisions directly with them on many aspects of inter-governmental relations, though not at the expense of union political structures. The countries of Eastern Europe are closer than others to an acknowledgement of Russia's right to political, economic, and diplomatic autonomy. They, just as we, gained their independence through great suffering and escaped the iron clutches of their "big brother," the Soviet Union. They still bear the marks of this embrace, however. The leaders of the East European states sympathize completely with Russia's desire to escape totalitarianism, and they are ready and willing for the most serious dialogue directly with our republic. Yeltsin's recent trip to Czechoslovakia offers further proof of this. We made the arrangements for this trip, and it was a success. Trips to Poland, Romania, Portugal, and Bulgaria lie ahead.

West European leaders have been more restrained in this respect. They are gradually getting used to direct contacts with Russia on the governmental level, but they are put off by our internal political instability and the lack of clarity in our relations with the union center. Their point of view is understandable. Friends, first you must settle your own differences, delineate your powers, and sign a union treaty. Incidentally, they are now addressing the same demands to the center. After all, how can they reach agreements with Russia on foreign economic cooperation without participation by the center as long as the center sets customs tariffs and has the power to abrogate any agreement between Russia and the West? In turn, Russia could complicate the agreements of the center. Predictability in all areas is important to the West.

Do not misunderstand me. I certainly do not want to turn contacts with the West into a competition. Let me say exactly what I mean. We have no intention of destroying the union or of disavowing the union government in our relations with the West, but Russia has and will continue to have its own foreign economic interests. In short, render unto God that which is God's and unto Caesar that which is Caesar's. The union has every right to establish its relations with foreign powers on the global level, but it cannot deny our right to establish our own.

As for the plan to establish international contacts on the level of cities, provinces, and so forth through the Russian Ministry of Foreign Affairs, we have no intention of giving up this activity. The more ties we have binding us to the developed countries, the sooner we will recover from our communist torpor.

[Yanelis] When Russia becomes a sovereign state, it probably will not deny the right of the former republics to sovereignty if they should demand it. This will mean a qualitatively new level of Russian foreign policy: the exchange of ambassadors, summit-level visits, intergovernmental nonaggression treaties, and so forth. Would

you not agree that all of this looks like a game? After all, we lived as one "family" for so long.

[Kozyrev] Leaving protocol aside for the moment, I must say it is not that important in the final analysis whether Russia and Georgia exchange diplomatic envoys or simply set up representative missions. We all have to reach a different, more civilized state. We have to learn to solve our problems within the union without relying on force. The lessons of Tbilisi taught us that attempts to exert forcible pressure on democracy can only divide the union. The Georgians never did forgive the center for not punishing the guilty parties in the Tbilisi tragedy, and as a result the republic has no intention of signing the union treaty. Now the same mistake is being made in the Baltic republics.

We must learn to respect each other, regardless of how strong or weak we are or how rich or poor we are. I see no reason for the present Russian Government to exert political, military, or economic pressure on, for example, sovereign Tatarstan. We might not like the appeals of some of its leaders for secession from Russia and we still have problems with the democratic self-affirmation of nationalities, but everything must be settled in the proper manner if we want to build a law-abiding society in which the interests of each nationality and each individual will be respected.

The same is true of relations with other republics. We are open to them and welcome all positive moves in mutual contacts. By the same token, we must be certain that the Russians living in other republics will be able to exercise the same civil rights as the native population. Russia will treat people of any nationality within its own territory accordingly.

[Yanelis] Do you think the center will approve?

[Kozyrev] I hope so. Otherwise, the union will collapse. If we do not want this to happen, we have to learn to cooperate. To this end, all of us who are part of the union—or, more precisely, who will remain part of the union—should strive to be good partners with each other. This presupposes a high level of political tact and a willingness to compromise. We also have to consider our tremendous economic dependence on each other, which will last a long time.

A dual approach is possible here. The first part would be the union treaty, to be signed by all interested parties. The second would be the simultaneous conclusion of bilateral treaties between Russia and other republics. We have experience in this area: After all, we have already signed treaties with the Ukraine, Kazakhstan, Belorussia, and Latvia. This is convenient for the republics and relieves the center of some of its concerns.

The union might eventually become something like the European Community, which protects the interests of a whole group of countries. At the same time, these countries have completely separate relationships with each other, although our ties are certainly much closer.

[Yanelis] You have described an absolutely idyllic situation. Can the possibility of the sudden outbreak of a conflict between republics be excluded, perhaps not now, but in principle? For instance, what if Russia were to make territorial claims on one of the members of the union? Could this happen?

[Kozyrev] Of course, Russia is a strong country, and what you want to say is that it might decide a territorial question in its own favor. In principle, it might, but would this make the people living in the disputed territory happy? It is doubtful that they would gain anything but suffering. Furthermore, world history tells us that attempts to settle territorial questions with wars are ineffective. The latest example was the Nagorno-Karabakh Autonomous Oblast.

The boundaries between republics might be changed, but only as a result of negotiation, and in the broader context it will not be important if you are the citizen of one republic or another. If the boundaries are as penetrable as in Europe and if you are free to move around in your own country and abroad and feel secure, territorial wars will not break out. Political adventurers will have no basis for fueling nationalist attitudes. An individual is ready to put his faith in false ideals if he is unhappy, but if he is living a normal life it is hard to convince him that taking away his neighbor's pasture will improve his own life.

[Yanelis] Does this mean, Andrey Vladimirovich, that you are prepared to cooperate with, for instance, Chechen-Ingushetia on the same political level as with Poland or France?

[Kozyrev] Hypothetically, yes, but let us keep the conversation on a realistic level and not complicate things. Let us forget the form and think about the essence. The essence is the human being and his interests. Sovereignty is a good thing, but what lies behind it? Meaningless symbols? Games with the latest catch-phrases? Let us be sovereign in our choices, but our choices must always be made for the good of the human being.

[Yanelis] What if the governments of some republics are not willing and able to accept your formula?

[Kozyrev] For a long time I have had the idea of forming some kind of non-governmental association of representatives of all of the republics. This association could discuss all problems—political, economic, cultural, ecological, and philosophical—freely at its unofficial meetings. It would be joined by individuals who are not hungry for power but are genuinely concerned about the future of their people—specialists and intellectuals. I am certain we would find the answers to many questions. Furthermore, we could find them without any shouting or pomposity. We would not be dependent on governments and would not try to take the place of parliaments, but would simply work together to find solutions, assigning priority to the right of each nationality to self-determination and the right of each individual to the

values of pluralist democracy. I would be willing to take on all of the organizational preparations.

[Yanelis] What if Gorbachev or Yarov should hear about this and call you, asking to join the association?

[Kozyrev] That would be fine. I would set only one condition: You, Mikhail Sergeyevich, will act not as the president, but as, for example, a Noble Prize winner, and you, Dmitriy Timofeyevich, will act not as a minister, but as, for instance, a lover of Russian poetry. Everything would be on a personal level.

Food Shortage Frustration Grows

914D0234A Moscow SOVETSKAYA ROSSIYA
in Russian 20 Jun 91 First Edition p 2

[Article by correspondent Yu. Burov: "Dacha Ration: Millions of People Have Been Left Without Daily Bread"]

[Text] Tver Oblast—Last month in the stores of Tver Oblast you could see the following announcement: "Sale of meat with coupons is abolished." This decision from the local authorities was clearly a little late since the customers have not been able to buy either meat or sausage for several months. Bread, milk, salt, and sugar (although it is sold at the rate of one kilogram a month) have also become scarce. The consumer basket of the people of Tver was transformed into a beggar's bag long ago: instead of the products indicated on the coupons, all it contains are hopes, which are dwindling as each month goes by.

In order to get a better idea of what is on the bottom of the Tver bag today, let us turn to the figures. As we know, wheat, from which it is possible to bake bread, does not ripen at the latitude where Tver is located. Therefore they must eat what the center gives them. And it gives enough so that each Tver resident receives 450 grams of bread a day. A resident of Selizharovskiy Rayon had this to say: "In the prison camp if you fulfilled the norm they gave you twice as much—800 grams."

It is even worse with sugar. The oblast needs about 4,000 tons of sugar each month, but in the first quarter alone the Ukraine failed to deliver 2,500 tons, and in April and May they refused to deliver any at all. We do not know if we will be able to get anything at all for a coupon in July, even a half kilo. We have forgotten what cookies, cakes, and candies taste like. The oblast has received much less vegetable oil, margarine, and fish products than it did before.

Such is the bitter truth. But not all of it. Recently in the village of Mednoye we had a talk with the deputy chairman of the rural soviet, V.Y. Tobolina, and heard this bitter monologue:

"There are about 5,000 permanent residents in our village, the largest in the oblast. And at the height of the tourist and dacha season the number of mouths to feed

increases to 14,000. In keeping with the law on land, hundreds of additional plots have been allotted for houses and dachas. There are 37 population points in the soviet such as Fenino, Ivantsevo, Kobayachevo, Glinki, Troitsa, Kurovo, Sokolino, Semenov, and Kashentsevo, which come alive only in the spring, when the dacha residents come—from Moscow, Leningrad, Murmansk Oblast, and other places. I do not know where we will find bread for all these people. In the soviet from morning to night we get phone calls, abuse, demands, and insults. We have done our best but there is nothing we can do for the people who come here because we ourselves are like beggars.

From a conversation with a Leningrad resident, V.D. Shmeleva:

I have been coming to Mednoye every spring since 1958. With my sister and her husband. We are all war veterans. And also my grandson and my daughter-in-law. And can we really be expected to bring our own food for a half year? It is so hard for us—even salt is sold with ration cards! And you might as well forget about macaroni, sugar, butter, margarine, and cereal. If you go somewhere you should be able to turn in your ration cards at the card bureau and get a receipt and use it to get new cards in the new place. That would be fair, and then the whole country could live without any problem. I want very much for the leaders of Leningrad and Tver Oblast to hear my words. We should not feel like strangers or extra mouths to feed anywhere in our country.

From discussions while waiting in line with the local resident M.N. Smirnova:

Nowadays every morning we start waiting in line even for milk because the dacha residents snatch everything up. I have nothing against them, they are people, too. But in Moscow they should think about the fact that they cannot sell other people out to the devil. In whose interest is it to set people against one another over milk?

As early as the beginning of May more than 150,000 dacha residents were registered. As a rule, they are "quartermasters," that is, old men and women who come here immediately after the snow melts and prepare the dachas and country homes for the arrival of their relatives. During the summer each dacha family has from three to six people. So far we are speaking about "outside" dacha residents, that is, those not registered in Tver Oblast. According to the most modest estimates, each year there are up to a half million dacha residents in the Tver land of plenty. And there are just as many tourists, especially in the region of Lake Seliger. This year, because of the strained situation in the Baltics and Georgia, the influx of vacationers into the oblast is increasing significantly. There are rayons where the population doubles in the summer and sometimes it even triples. In Konakovskiy Rayon, for example, there are no less than 60,000 additional mouths to feed, in

Ostashkovskiy more than 120,000, and tens of thousands have to be accommodated in Bologovskiy, Vyshnevolotskiy, Kimrskiy, Staritskiy, Kalyazinskiy, and a number of other rayons. The majority of the army of a half million vacationers are Muscovites (no less than 300,000) and Leningraders (more than 100,000). Naturally, there arises the question of how the leaders of Moscow and Leningrad are taking care of their city dwellers.

In order to figure this out it is necessary to turn to the history of the problem. Last year at the very height of the ripening of the crops, Tver residents held a rally involving many thousands concerning changing the name of Kalinin to Tver. With impassioned speeches, a religious procession, and ringing of bells in the bell tower! Moscow Soviet Chairman G.Kh. Popov even came to the festivities. In his impassioned appeal to the Tver residents he promised that he personally would constantly promote Tver's independence and the prosperity of the ancient land. And the first thing he would do would be make sure that the bell which had been confiscated by Moscow at one time was returned to the city as quickly as possible.

About an hour and a half after the rally G. Popov had a meeting with democratically inclined activists of Tver. One of them asked if the Moscow Soviet leaders intended to solve the problem of food for the Muscovites vacationing in the oblast. The more so since their numbers were increasing from one summer to the next. Gavriil Kharitonovich gave a detailed answer. He expressed his intention to ask the oblast leadership to sell to Muscovites as many of the empty country homes as possible, to allot land for the construction of dacha communities, and in all ways develop other forms of recreation for Muscovites in the oblast. As for food supplies for industrial, household, and other goods, the Moscow Soviet would allot them without red tape. Moreover, Gavriil Kharitonovich said, the Moscow Soviet would definitely concern itself with the development of the infrastructure for leisure time activities—construction in Tver Oblast of roads, stores, medical points, and so forth. These assurances were given less than a year ago. How are they being realized?

"To the chairman of the Moscow Soviet, G.Kh. Popov.

"Esteemed Gavriil Kharitonovich!

"An average of 300,000 Muscovites live in Tver during the summer. The fact that it is impossible for Muscovites to buy bread in the places of their temporary residence causes... The transfer of flour supplies from Moscow to Tver Oblast would help us to solve this problem. It would also be expedient to consider the problem of transferring supplies of sugar, vegetable oil, macaroni items, and cereals. All this would help.

"We are expressing the firm conviction that we will find an acceptable solution to these problems.

"Chairman of the oblast soviet of people's deputies M. Shestov, 16 May 1991"

A letter with exactly the same content and meaning was sent to Leningrad Soviet Chairman A. Sobchak. And even earlier, at the beginning of April, similar messages were addressed to the Moscow and Leningrad ispolkoms [executive committees].

And—no answer! There has not even been a phone call yet. Moreover, when members of the oblast ispolkom went to the Moscow City Ispolkom so that together, shoulder to shoulder, they could work on the problem of the leisure time of Muscovites on Tver land, the capital leaders could not find time for this.

I understand how bitter and capricious the time was when they were supposed to be concerned about the fate of migrant dacha residents. The Russian Congress of Deputies, the preelection skirmishes... But I assume that far from everyone on whom the solution to the problem depended spent days on end doing nothing but walking the streets and alleys with loudspeakers in their hands. Someone must have been left to deal with economic affairs and handle immediate, daily problems. The more so since this problem was serious.

I shall refer to another document. This is a note from the subdepartment for letters and reception of citizens of the general department of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers written on 16 May 1991:

"The RSFSR Council of Ministers," it says, "has been receiving a larger number of communications from gardeners and dacha owners in which the citizens, noting the attention and concern of the RSFSR Government for allotting plots of land and the great desire to donate their labor to implementing the food program, pointedly raise the question of supplying them with necessities during the spring and summer period.

"An analysis of the mail shows that the people who are especially disturbed are residents of the city of Moscow who spend the summer in Kaluga, Vologda, Ryazan, and other oblasts, and from the city of Leningrad—Novgorod, Pskov, and other oblasts, and also residents of other large industrial centers and regions of the Far North."

Apparently to make it more convincing, the Russians' letters are appended to the note.

L. Yermolayev from Leningrad:

"Millions of city dwellers, most of them with children, will go on vacation to the rural areas of their own or the neighboring oblast, but the problem of providing food for them has not been solved. We should probably redistribute the supplies for this period or allot additional ones. It is necessary for the RSFSR Government to intervene."

Zaytseva, Vedernikova, and others (a total of 148 signatures) from Moscow Oblast suggested: "A difficult situation with food has developed in the country. But if the

republics try to solve this problem in their own way within their borders, then in the RSFSR alone each territory (oblast, rayon, city, settlement, village, and so forth) will introduce its own ration cards, coupons, invitations to sales events, and various norms. We think that in the RSFSR during the summer it is necessary to redistribute resources and introduce a unified norm and a system for distributing necessities."

This is the survey of the mail, which not only judges but also gives various proposals, that was sent in the middle of May to the chairman of the RSFSR Council of Ministers, I.S. Silayev. The document was apparently perceived as an urgent one which could not be set aside until later. And therefore, literally a day later the official stamp of the chairman of the Council of Ministers appeared on it:

"1. To the Councils of Ministers of republics of the RSFSR, oblast (kray) ispolkoms, the Moscow City Ispolkom, and Leningrad City Ispolkom.

"Taking into account the critical nature of the problem, I request that you pay more attention to solving the problem of providing gardeners and dacha owners with necessary food products during the summer period.

"2. To the RSFSR Ministry of Trade (Comrade Khlystov) and the Russian Consumers' Union (Comrade Yermakov). The issues raised in the note demand a solution, and at the republic level. I request that you take the necessary measures."

The appeal to "pay more attention" is probably never out of place. But how are they to do this if the oblast food resources (and, I assume, not just in Tver) have been inadequate for a long time? Readers in search of a solution have suggested redistributing the supplies during the summer. But for some reason I. Silayev will have nothing to do with this solution, which seems to be the only sensible one. Nor do the Ministry of Trade and the Russian Consumers' Union seem to have any clear idea of how to "take the measures" prescribed to them by the prime minister, since the food supplies have long been allotted by that same Council of Ministers, and all they can do is strictly carry out the orders. It is not surprising that with such vague instructions from a Russian leader, the chairmen of the Moscow and Leningrad City Ispolkoms consider it possible not to react to the problem at all.

Any child knows that if a small smoldering fire is not put out it could turn into a large blaze. Remaining silent about the all-Russian (or, rather, all-Union) problem of the dacha residents could lead to a bad end. More than once in my travels through Tver Oblast I have had occasion to hear "constructive" proposals. Both from local residents and from out-of-town dacha residents. The former are earmarking plans and the latter have misgivings about them since they involve the quite probable outcome. The legal one. Here is what it is all about. Some Tver residents think that all the rural homes now occupied by families from Moscow and Leningrad

as dachas should be assessed (according to the state price list, of course) by a special commission. They would reimburse the owner for the value of the home, shake his hand, and give him a warm farewell. And the huts that are released (and there are many thousands of them in the oblast) would be offered as permanent residences for peasant families from Smolensk, Bryansk, and other oblasts of Russia who were affected by the Chernobyl disaster.

Fairly heated conversations regarding this are moving through the oblast. And are the authors of this kind of project for restoring the Tver countryside perhaps right?

Esteemed, dear Boris Nikolayevich Yeltsin! Now that you have become president of Russia, people have a right to hope that the power and authority entrusted to you will be sufficient for an operational redistribution of food products through ration cards. I am profoundly convinced that the problem raised here must be solved immediately, regardless of who may give the signal of alarm and despair—the communist or the democratic side.

Saratov Party Chief Explains Resignation

91UN1874A Moscow ROSSIYSKAYA GAZETA
in Russian 20 Jun 91 p 1

[Statement by V. Golovachev, chairman of the Saratov City Soviet, at a plenum of the Saratov Oblast Committee of the Communist Party of the RSFSR; prepared for publication by Oleg Zlobin: "Why Does One Leave the Oblast Committee Bureau?"]

[Text] An interview given to our staff correspondent Oleg Zlobin by Chairman of the Saratov City Soviet V. Golovachev, who voluntarily gave up the combination of positions and resigned the post of the first secretary of the city party committee, was published in ROSSIYSKAYA GAZETA on 30 May under the headline "The Bastions Are Still Standing." Recently, a plenum of the Saratov Obkom [oblast committee] of the Communist Party of the RSFSR was held, at which V. Golovachev made a statement about his decision to resign his membership in the obkom bureau. The plenum relieved V. Golovachev of the responsibilities of a member of the Communist Party of the RSFSR Obkom, but with the wording "in conjunction with immodesty displayed and violations of the standards of public morals." We publish below the statement read by City Soviet Chairman V. Golovachev at the obkom plenum.

To the Plenum of the Saratov Oblast Committee of the Communist Party of the RSFSR

I request to be relieved of the responsibilities of a member of the obkom bureau of the Communist Party of the RSFSR in view of the following circumstances:

First, I express my disagreement in principle with the political line of the obkom which openly sides with the most conservative elements in the CPSU, actually comes

out against a transition to market relations in the economy, the depoliticization of education and upbringing, and the emergence of political pluralism, fuels the state of political hysteria in the city, and casts slurs upon all Communists who disagree with its line in the mass media.

Second, I resolutely protest the usurpation of the right to speak for all Communists of the city and the oblast without having in the process a realistic and substantiated political action program, and blindly following instructions "from the top" without taking into account local peculiarities and the social and political situation in the city.

Third, I voice my disagreement with the personnel policy of the party obkom which frequently selects party cadres on the basis of devotion to individuals, and promotes to key positions leading functionaries who have neither the necessary education, social experience, or outlook.

At the same time, the leadership echelon hinders the advancement of the best prepared and creative people. As a result, the party apparatus has become stagnant and inert, and has lost initiative. The career of a party functionary in the oblast has become virtually impossible. Transfers from party offices to economic offices and the other way around are being registered. The dominance of economic functionaries in the political and ideological leadership gives rise to concern. This is why a vision of the political perspective is absent, and why party functionaries withdraw into purely economic issues.

Fourth, I protest the fueling of a nationalistic hysteria in some rayons of the oblast and in the city itself, which is promoted and supported by a number of leading party functionaries. I believe the campaign against the restoration of the Volga German Republic, which has been unleashed in the oblast, to be an affront to Communists.

Fifth, I cannot, and I do not wish to, support the confrontation between the oblast party leadership and the leadership of the Russian Federation, and the discredit of the latter in the local mass media, in the documents of some party organs, and in the speeches of their leaders. The newspaper KOMMUNIST takes a clearly biased position and does not express the entire spectrum of views found in the party. It specializes in reprinting articles directed against those who do not agree with the political line of I.K. Polozkov.

'Anticommunist' Regional Paper Assailed

91UN1874B Moscow SOVETSKAYA ROSSIYA
in Russian 20 Jun 91 First Edition p 6

[Article by SOVETSKAYA ROSSIYA staff correspondent I. Alekseyenko in the column "In Broad Daylight": "Peoples' at the Expense of the People"]

[Text] Chita—Actually, there were two scandals. However, the first one, which was of a strictly "family"

nature and did not attract the attention of the citizens of Chita, became sort of a prologue to the second scandal which was outstanding and memorable. The prologue was as follows. About two months ago, the newspaper SPEKTR, which claimed the title of independent, began to be published with the modified title SPEKTR-INFORM. A genuine mutiny on the ship, in the course of which the entire editorial collective expressed its lack of confidence in the old founding agency of the newspaper, and found a new one, becoming a cofounder at the same time, was behind this event.

However, a new message came at this point: SPEKTR-INFORM folded, and how! It turned out that its editor O. Chebykin had given up printing facilities, which are in very short supply in Chita, in favor of another, a merely budding publication named NARODNAYA GAZETA. However, unlike some of his former colleagues, O. Chebykin was not left without a job for a single day. He immediately moved to NARODNAYA GAZETA as a deputy editor. Journalists who were left out in the cold made a row and tried to appeal the illegal actions of Chebykin to a cofounder—the committee for youth affairs of the oblsopolkom [oblast executive committee]

They were also outraged by the arrogation: they rushed to the oblast printing plant to see justice done, but they were turned away empty-handed. It turned out that there was no contract as such with the printing plant for producing SPEKTR-INFORM: everything was accomplished by means of one-time orders, and personal contacts of the editor. When more cheerful prospects began to loom over the horizon, he took advantage of it, leaving the collective and the cofounder holding the bag, as the saying goes.

This is how one newspaper rose on the Chita skies of glasnost, and not just any newspaper but NARODNAYA, over the debris of another newspaper.

The editor of the local youth newspaper KOMSOMOLETS ZABAYKALYA, V. Kurochkin, to whom the plenum of the oblast committee of the Komsomol [All-Union Leninist Communist Youth Union] had given a vote of no confidence, decided to publish his own newspaper. The worn-out disguise of a person persecuted for his courage and his principles was immediately used.

The supporters of Kurochkin went to the streets of Chita four times in order to collect money for the publication of the newspaper, and published appeals to provide financial aid in all local publications. Finally, they got the most significant thing—everybody's attention.

Finally, the seed money was scraped up; a certificate of registration was obtained from the RSFSR Ministry of the Press and Mass Information; printing facilities were won in the course of a struggle with the competition; the newspaper was published.

Indeed, it turned out to be entertaining reading matter, especially for those who like something spicy and juicy.

For example, what do you think about the following passage: "I am not against them (they being, of course, the partocrats—note by I. Alekseyenko) eating. However, how can they fail to understand a simple thing—you cannot gorge yourselves in front of people who are starving... They have still not drunk all the milk, chewed on all the biscuits, and wolfed down all the cakes."

And so on, and so forth. I will refrain from commentaries. I will only say that previously I did not even suspect that the populace of the Transbaykal area, on whose behalf its "best sons" are now making confessions, wholeheartedly strives for... a capitalist heaven. If NARODNAYA GAZETA is to be believed, the population is fed up with socialism, and it hates the Communists fiercely.

However, is NARODNAYA GAZETA worth believing? More precisely: Is the people's mantle on which it has set its sights too large for it? In order to respond to this question, we should take a closer look at three cofounders of the publication who have made their presence vividly known on the first page. It is the editor himself and his two fellow members of the Democratic Party of Russia—the very party which has made anti-communism the cornerstone of its program and cannot bear the sight of the soviets. This is where the roots of the frenzied anticommunism of the new publication are. Everything else, including the title, is merely a fashionable prop.

In our case, the printed organ of the Democratic Party of Russia does not only speak on behalf of the people, but, as it persistently persuades us, is published for the people's money. This is the advertisement that was published in the oblast newspaper ZABAYKALSKIY RABOCHIY literally the day after the first issue of NARODNAYA GAZETA was published: "Attention! The editorial office of NARODNAYA GAZETA urgently needs a driver with a personal car. Salary is up to 1,000 rubles per month." Or the following: "NARODNAYA GAZETA will purchase a metal safe, Japanese tape recorders, an electric typewriter, and a passenger car. Payment negotiable."

Indeed, this is quite an appetite for the people's money—all the more so because a profit from the publication is out of the question.

Deputy Assails Oblast Soviet Leadership

91UN1880A Moscow IZVESTIYA in Russian 20 Jun 91
Union Edition p 3

[Interview with Anatoliy Semtsov, Smolensk Oblast Soviet people's deputy, by IZVESTIYA staff correspondent I. Ognev: "What Is Happening With the Oblast Soviet?"]

[Text] Recently, a city newspaper took a survey which indicated that 87 percent of the respondents have absolutely no confidence in the oblast soviet. Such is the depressing outcome of its operations in one year. What is

happening with the local parliament? Your correspondent had a conversation with Anatoliy Semtsov, a people's deputy of the oblast soviet, concerning this. The choice of an interlocutor was not random. Having attended sessions, I noticed that this deputy speaks much more often than many of his colleagues. He does not merely criticize, which all of us are fond of doing; you may hear interesting proposals from Semtsov.

He is a lawyer, a retired militia colonel. Meanwhile, here, in Smolensk, he narrowly avoided reprisals for his independent judgments. He is an Afghan war veteran and a leader of the Democratic Movement faction in the oblast soviet.

[Semtsov] Our soviet earned this unenviable rating as a result of the position it took during the preparation of the Russian referendum on the presidency. Our Democratic Movement group attempted to oppose it, but the influence of the Communists turned out to be stronger. The RSFSR Supreme Soviet Presidium had to repeal the decision of the Smolensk Soviet which banned the holding of the referendum on the territory of the oblast. The results of the poll indicated that the people think very differently than the deputies who had tried to deprive the people of their constitutional rights. In a word, we gained notoriety the world over. Even the foreign press reported on Smolensk as the conservative capital.

[Ognev] However, what does the attitude of the soviet towards the Russian referendum mean—a clumsy episode or an action which fits entirely within the logic of its operations?

[Semtsov] Everything was done deliberately. The economy of the oblast is a mess, and there are no goods to honor ration coupons. Meanwhile, the soviet wasted three days in order to demonstrate its pseudo-independence to the government and the Supreme Soviet Presidium. What is behind this pseudo-independence? Just one thing—the rejection of Yeltsin. The Polozkov team cannot stand him, and the influence of this wing of the Communist Party of Russia is extraordinarily strong among the Communists of Smolensk.

Key positions in the oblast soviet are held by yesterday's party functionaries or people who belonged to the nomenklatura quite recently. As I see it, their affiliation with the CPSU is not the point—there are Communists in our faction as well—but rather their being used to dogmas and declarations. In the process, they are unscrupulous in their choice of means. After all, it is a pure fabrication that the democrats are in favor of disbanding collective and state farms and arbitrarily imposing farmer-operated farms. However, functionaries of the Communist Party of Russia have brandished this "threat" both in the center and in the provinces. Opposition to everything reasonable proceeds from the same logic. For example, the head of the Smolensk Communists, Viktor Samorodskiy, states: Before we introduce

reforms in the rural areas, we should increase the capitalization of labor; after all, it is six times lower than in the West. However, why did this come about, given that we produced more tractors than some countries combined? Everything happened precisely because in our country everything belongs to no one, and stripped-down tractors gather rust behind fences; all our wealth goes down the drain.

Recently, the chairman of the oblast executive committee, Aleksey Orlov, stated that 3.5 billion, which cannot be obtained from anywhere, are necessary in order to improve the rural areas of Smolensk Oblast. However, in the last five-year plan alone, the oblast agro-industrial committee received more than two billion from the budget. In the last three years alone, debts of more than one billion were forgiven to the rural areas. One billion, which the fathers of the oblast wheedled out of Brezhnev for the development of the rural areas, has disappeared without a trace. However, the rural areas for some reason did not come to life because of this.

[Ognev] Anatoliy Fedorovich, are you not blowing it out of proportion? Recently, Chairman of the Oblast Soviet Leonid Mamontov stated in the local newspaper that on the whole both the soviet and its executive committee are operating ahead of schedule.

[Semtsov] I am not aware of such breakthroughs. I have not received such documents as a member of two permanent commissions of the soviet.

[Ognev] With all due respect, I read personally the draft resolution of the soviet on, for example, the privatization of housing.

[Semtsov] It still remains a draft. The presidium did not resolve to submit it to the session, citing the absence of laws, despite the fact that local soviets in the oblast are already selling apartments. It turns out that the local leaders are very law-abiding when it is in their interest to change nothing. In other cases, as, for example, with the referendum, the same people have done everything in order to suspend the effect of the republic Constitution in the territory of the oblast.

All Russian cities and villages live by the same laws. However, look at this—in Sverdlovsk Oblast, there are swarms of small enterprises. In many oblasts, commodity exchanges have opened, and other elements of the market infrastructure are being formed. In Volgograd Oblast, the number of farmer-operated farms is hitting 1,000. Meanwhile, in our oblast 160 such farms have been registered. Is land in short supply? There is an overabundance of it. The oblast has the highest per capita availability of land in the Central Region—about two hectares. It is just that land is not being used efficiently. The surplus of collective and state farms amounts to 633,000 hectares, out of which 400,000 hectares are plowed land.

What should we do now from a commonsense point of view? Consider a strict program for using this nobody's

land without red tape. In which cases is it possible to reform the "down-and-out" collective and state farms? Construction projects and programs which we can do without in the two years to come should be frozen immediately. Substantial corresponding funds should be allocated for creating enterprises processing agricultural raw materials. The entire technological chain from the field to the shelves of shops should be privatized by August at any price. Let the people invent whatever is not forbidden: small and joint enterprises and trade and procurement cooperatives. Our soviet has such powers, and this will benefit the cause.

Only a multisectoral economy will rescue us from the current social ruin. However, judging by official statements by the Smolensk soviet and party leaders, they do not agree with this conclusion. This is serious, because real power is in their hands.

[Ognev] However, you would agree that a sound law on local self-government and the delineation of the powers of local soviets is badly needed.

[Semtsov] Correct. In the absence of this, it is impossible to compile budgets from below. Meanwhile, this is the foundation of regular life. However, when I hear the lamentations of our leaders to the effect that everything has bogged down precisely for this reason alone, I think: How come the leasing of barber shops, tailor shops, and various shops still has not been authorized? After all, in this matter, the law is a help rather than an obstacle. However, the chief of the oblast administration of consumer services, Vladimir Bokhanov, introduced leasing only in the bureaucratic echelons of the existing system—rayon associations. This is good, perhaps, only for a report—instructions have been carried out, they will say. Meanwhile, their main objective is to preserve all the men of the bureaucracy, together with the right to manage property.

Bokhanov has now changed positions: He heads the committee for managing the property of the oblast soviet. Here is how he views the future privatization arrangement. The committee will place municipal property on its balance sheet, and subsequently it will impose on tailors and shops what they should sew by using the control share which the committee will retain anyway. That is to say, everything will still be determined by an official rather than the price, demand, and customer. Do you see a place for the market in this arrangement? I certainly do not.

Instead, the future pseudomarket model is clearly discernible here which, alas, is not essentially different from the administrative command system. Compliance by the oblast with the Law on Leasing in Rural Areas is no better. For many months, I as a deputy have been unable to defend against arbitrariness the leasing collectives Rosinka and Desyatina. In other words, ideology continues to impose the rules of the game.

[Ognev] Is the republic anticrisis program being discussed by the soviet?

[Semtsov] No, despite the fact that an extraordinary session ought to be convened for precisely this purpose. However, the soviet held three shameful sessions on account of the Russian referendum, but it will hardly acknowledge the anticrisis program of that same Yeltsin, despite the fact that it was adopted by the extraordinary congress which we so zealously voted in favor of convening. While blaming the top echelon for the absence of laws or programs, the leadership of the soviet fails to notice, or rejects, the laws and programs which appear.

[Ognev] My final question. The leaders of the oblast soviet have stated on many occasions their readiness to cooperate with any political parties and movements. Are these intentions being acted upon? How does this influence the effectiveness of government?

[Semtsov] There is no such cooperation. That is to say, there is cooperation, but with only one party, the Communist Party. Before the "Declaration of Ten," the chairman of the presidium of our soviet simply did not notice the so-called democrats, had difficulty hearing our inquiries and appeals, and some of the latter altogether failed to be recorded in the protocols of sessions.

It appears that a significant segment of the soviet and its presidium have not yet ripened for fruitful cooperation with various political forces which stand on a constitutional platform. This is why the presidium should resign, all the more so because it has compromised itself considerably. As far as the oblast soviet is concerned, it is not any better or worse than in other places. Reelecting it will not accomplish anything except for outlays from the lean budget. The last congress of people's deputies of Russia made good decisions on reorganizing executive power. As I see it, it would be useful to set up a "roundtable" of the representatives of various public movements and parties at the current soviet, and thus to coordinate the actions of the future mayor and the soviet.

Report on Supreme Soviet Session 20 June

91UN1895A Moscow ROSSIYSKAYA GAZETA
in Russian 21 Jun 91 p 1

[Report from the House of Soviets of Russia by parliamentary commentator Robert Minasov: "The Draft Law Has Been Passed. The Program Has Failed"]

[Text] Without exaggeration, we may consider the adoption, in the first reading, by the Soviet of the Republic, of the draft Law on the Rehabilitation of the Victims of Political Repressions in the first reading to have been the most significant event at a session of the Russian parliament yesterday. Therefore, this chamber sided with the Soviet of Nationalities, which adopted a similar resolution one day earlier.

I would like to note one essential addition to the draft law made by Deputy S. Baburin and supported by Deputy M. Ityukov. Explanatory notes accompanying

the draft read: "Taking into account the fact that political repressions occurred prior to the 1920's and continued through the 1960's and the 1980's (persecution for political convictions and similar activities), the draft extends rehabilitation to the entire so-called Soviet period, from 7 November 1917 on to the moment when the law takes effect." So, the above-named members of parliament proposed to remove the time frame for the application of the law (until the moment it takes effect), in order to prevent monstrous actions of coercion and violations of human rights in the future.

The draft law provides for the right of those rehabilitated to return to the localities and areas where they lived before they were subjected to repressions, and acknowledges individuals who were deprived of their citizenship without their direct request to be citizens of republics [as published]. For those rehabilitated who were directly subjected to the penalty of deprivation of freedom, a monetary compensation in the amount of 140 rubles [R] per every month of the deprivation of freedom, but no more than R25,000, is established.

Finally, the implementation of the draft law will cost the Russian treasury R588 million. However, this is truly a drop in the sea of suffering by people who were absolutely innocent.

Now about the spectacular failure of the program for fighting crime in the RSFSR in 1991 and 1992, which was presented to the parliament at the morning plenary session. It was uncomfortable to look at V. Frolov, deputy chairman of the Committee for the Issues of the Rule of Law, Legal Order, and Fighting Crime who presented the program. His answers to an avalanche of puzzled questions were not convincing, and at times altogether helpless. Deputies V. Lyubimov and V. Travkin categorically demanded the discontinuation of the discussion of the question. In turn, M. Zakharov insisted on a vote on his proposal: to discontinue the discussion of the program, and to reprimand the chairmen of the two chambers, V. Isakov and R. Abdulatipov, for submitting an unprepared program to the parliament for judgment. The proposal by M. Zakharov, which incidentally was supported by 100 of his colleagues, did not pass. Nonetheless, this is a quite instructive fact.

What happened, after all? How did the program, which millions of the citizens of Russia, who are alarmed by the rampage of crime, expect, turn out to be completely unsound? I addressed this question to A. Aslakhanov, chairman of the Committee for the Issues of the Rule of Law, Legal Order, and Fighting Crime.

My interlocutor said: "We knew that a republic program for fighting crime was being prepared on the instructions of the RSFSR Council of Ministers. However, our committee, as well as other committees and commissions, did not participate directly in developing the program. We merely hurried along those preparing it in the Ministry of Internal Affairs, the Procuracy, and the

Supreme Court of the republic. According to established practices, the draft law should have been referred to the Council of Ministers, from there to the RSFSR Supreme Soviet Presidium for discussion, subsequently to the committees and commissions of parliament, and only later be submitted to the parliament for discussion."

A. Aslakhanov went on to say: "This entire sequence was disrupted in a manner unknown to me. Personally, I familiarized myself with the program two days ago; I was on a long business trip. The leadership of the chambers assured me that the draft law had been reviewed at a meeting of the Presidium, though, as it is coming out now, this was untrue. Nonetheless, I insisted that the program be removed from the agenda. However, I was reassured that this would be merely a presentation of the program, and even then, separately, in the chambers. What did it lead to? The 'massacring' of my deputy. He was simply made the fall guy. I cannot say who orchestrated this entire despicable scenario."

Ilin Views Separate RSFSR CP Registration

91UN1895B Moscow *RABOCHAYA TRIBUNA*
in Russian 5 Jun 91 p 2

[Statement by Second Secretary of the RSFSR CP Central Committee A. Ilin to TASS correspondent N. Stepanchenko: "Should the Communist Party of the RSFSR Get Registered?"]

[Text] Second Secretary of the RSFSR CP Central Committee A. Ilin answers at the request of TASS correspondent N. Stepanchenko:

"At the First Founding Congress of the Communist Party of Russia, a decision was made to form the RSFSR Communist Party. The congress resolved that the Communist Party of the RSFSR unites party organizations located in the territory of the republic, is an integral part of the CPSU, is guided by its program documents and statute, and has the same party card with the CPSU. This is why the registration of the CPSU on 4 April at the USSR Ministry of Justice (certificate No. 0058) simultaneously represents the date of registration of the RSFSR Communist Party.

"The Communist Party of the RSFSR is the largest detachment of the CPSU which represents its interests in Russia, speaks in its name, and enjoys the rights of a corporate person. I believe that there is no need to register the CPSU Statute a second time. Besides, if the Communist Party of the RSFSR had its own Statute and Program, it would no longer be the CPSU. We would not like formalism to go to absurd extremes in this instance. If it goes this way, the itch to 'push papers' may end up in the registration of party organizations within krais, oblasts, and rayons."

Polozkov Resignation Demand Explained

91UN19214 Moscow KOMSOMOLSKAYA PRAVDA
in Russian 22 Jun 91 p 2

[Interview with Vladimir Aleksandrovich Mindolin, first secretary of the CPSU Novosibirsk Oblast Committee, by A. Chelnokov: *The Siberian Stage?*]

[Text] *Ten secretaries of Communist Party Siberian oblast committees [obkoms] have signed a statement demanding the resignation of I. K. Polozkov from his post as head of the Russian Communist Party Central Committee. This happened in Novosibirsk at a meeting of the secretaries of the CPSU obkoms. The leader of the communists in Novosibirsk Oblast, Vladimir Mindolin played a leading role in this event.*

Communist Party Information Report

Mindolin, Vladimir Aleksandrovich, born 7 November 1947. Graduated from Novosibirsk State University where he stayed on as a teacher after receiving his diploma. Candidate of historical sciences, dissertation subject: "The Political History of Siberia During the 1920's." On the eve of the 19th All-Union Party Conference in 1988 he was elected as alternative first secretary of the Sovetskiy Party Rayon Committee [raykom] in Novosibirsk (Akademgorodok). He has been first secretary of the CPSU Novosibirsk Obkom since 1990, also elected as an alternative. In his own words, in everything he follows the motto: "Pessimism of reason and optimism of will."

[Chelnokov] So, Vladimir Aleksandrovich, you and nine other obkom secretaries are of the opinion that it is necessary to retire Ivan Kuzmich Polozkov. Is this statement a continuation of the split in the Communist Party? What caused it, and why make the statement precisely today?

[Mindolin] We now hear very often that the most important thing is to save the party, save it from demise. I do not understand this. For in principle the party is not something that is an end in and of itself. Moreover, it cannot be preserved and mummified because all of that would be artificial. The guarantee for the preservation of any party lies in realization of its proclaimed aims. So we have been to the 28th CPSU Congress. We pressed our buttons and decided something. We formulated goals: a new quality for socialism—through the market and the development of different forms of ownership, through, ultimately, the multiparty system, which flows from a multifaceted life. These are, so to speak, the strategic goals. There were more specific goals: improving the well-being of the people and their social welfare, strengthening the Union and the party and moving it closer to the people.

Everything would appear correct. But now let us take a look at what has been happening with us communists in the year since the congress. A considerable section of the party has already changed those goals for itself, and the

representatives of this section are saying "down with 'isms.'" That as applied to strategy. As far as specific tasks are concerned, we have not resolved them or completed them: people's lives are getting worse—that is the first and almost chief result. Given the communist government's inability to control, prices are rising by a minimum of two-and-a-half times. Moreover, everyone says that they will rise even higher in the future. When I came to the obkom and became interested at the institute of economics in knowing what to expect in a period of inflation, they told me that it would be 10 percent! Ten! This should be a red flag to any government. In February of this year it was already 20 percent. How much is it now, 30 percent, 40 percent, 50 percent? According to the predictions, by the autumn it will be 100 percent! Throughout the Union millions have been brought to the brink of poverty. There are hundreds of thousands right here in the oblast. Who today is responsible for this? We are.

In the national economy up to 30 percent of capacities stand idle and simple economic links are being broken. I travel about to the plants and the workers say to me: "We are not to blame for all of this, we did not do it, you did!" And they are right. We are observing half-hidden unemployment. According to the predictions, by this autumn there will be about 200,000 unemployed people in Novosibirsk out of an active population of 1.5 million. That is very many. Thus, instead of raising the living standard of the people we are on the brink of catastrophe.

There is more. We said that we would build a rule-of-law state and adhere to the Constitution in everything, and thus develop reform processes. What is happening now? People hold up a Union law and then look at the Russian law and see that each totally contradicts the other. We are no longer able to clarify anything from them. Or, the Russian-speaking population from the Baltic republics and the Transcaucasus are coming here to us—they are refugees or are experiencing the psychological feelings of refugees because they know that no tranquil life is guaranteed for them in the republics.

A year ago we were saying that we would ensure real priority for the countryside! In these last months I have become convinced that the agrarians have been deceived. When at their congress they talked about a five-day hunger strike, what could be more eloquent? Now they are trumpeting everywhere about Volgograd Oblast, talking about the agrarian people there as if they were heroes of perestroika (I would say heroes of post-perestroika)—here, they say, they have organized 600 small farms. How many of those farms are viable? We in Novosibirsk Oblast have organized 570 farms without all the noise and pomp, but when we have a total of only 140 tractors for them, all without windshields, and have absolutely no construction materials, then the farmers are quite rightly outraged: "What have you dragged us into, Bolsheviks?"

We said that we would strengthen the Soviet state. But the oblast has no oblast budget, there is not even a city budget for the capital, and what kind of state has no budget?

We said: the market. A civilized market. And what do we have? Barter, primitive barter and primitive market relations.

At the congress there was talk about strengthening the party. We have strengthened the party: at the April plenum it was said that those sitting in the hall were not communists but the representatives of three or four parties. Which parties? I would classify them like this... The first is a party of bureaucratic socialism of the Stalinist-Brezhnevian ilk, living under the motto of better the bureaucracy than the bourgeoisie. The second is a party of the primitive, primeval bourgeoisie with the motto "The Communists Should Be Thrown into the Market!" The third is a liberal bourgeois party. When I read Michel Rocard or Giscard d'Estaing I see that they are filling bourgeois liberalism with specific political content. They think about what it should be, this content, but we do not. They think that the main direction for bourgeois liberalism is a struggle for civilized values, but we know nothing of this—not in our dreams, not in our spirit. For civilization is multifaceted: there is the United States, there is West Europe, there is Latin America, there is Africa finally.

Finally, there should be a fourth party—a real communist party whose motto should be "Communists Are for Social Justice." Alas! we have been unable to show that, either during the six years of perestroika or during 70 years. Hence also the decline in trust in us. For it did exist five years ago, that is for sure. But now either it does not exist or there is very little of it.

It is not now acceptable to make reference to Lenin, but one of his thoughts does seem very topical in this conversation: the sole criterion for sincerity in politics, that is, in the field of life that affects the interests of the millions, is a coincidence of words and deeds that can be fully verified. But we say one thing but do another. And so the results of 12 June are not the results of a campaign of agitation for the candidates but political results. And they signify a sharp decline in people's trust in the Communist Party and its words and deeds.

Lenin said this: "We have convinced Russia and conquered it, and now we must manage Russia." We used to manage Russia, but now it is not we who manage it, and for that reason we have to convince it all over again, if we can.

Today we are insisting on an extraordinary congress of the Russian Communist Party, a congress that must adopt a concrete program for development of the republic.

And in general, if we talk leaders, then today as at no other time there is a need for new people who possess intellectual courage and wisdom.

[Chelnokov] Let us assume, Vladimir Aleksandrovich, that the elections on 12 June had ended with different results. Would you still be giving an interview on the subject of demanding Polozkov's resignation?

[Mindolin] I recall that in February of last year we held a scientific-practical conference in Akademgorodok on the subject of the upcoming 28th CPSU Congress. It was held under the title "The Position in the Party and the Role of the Primary Party Organizations." It was a conference in which communist scientific workers and communist workers from Novosibirsk's plants participated. Among many other issues, there was this one: Can the CPSU be reformed? In principle we answered in the positive, but here we did not exclude the possibility that flexible and real reform could occur only when the party passed through a stage of opposition. Now a decisive step has been taken toward putting the Russian communists in that position, and the whole question is the extent to which we shall be able to become a creative, constructive, and responsible opposition. Therefore, if you and I were sitting here when the outcome of the elections were different, then I would say that the outcome of our business would have depended on how the party had succeeded in being critical toward itself and toward the monopolistic state with which it had had to deal. Up to now we have been unable to work out this criticism, not an indiscriminate but an analytical and effective criticism. As far as Polozkov is concerned... this is my personal viewpoint.

[Chelnokov] A final question: In your opinion, how does Mindolin the raykom secretary differ from the present Mindolin—the secretary of an obkom—in terms of his views?

[Mindolin] I will say this: the present Mindolin has greater clarity. As Niels Bohr affirmed, clarity and truth do not coincide, but clarity is an adjunct to truth. Today I lay less claim to ultimate truth than yesterday because it seems to me that the greater the clarity the greater the doubt—there is the paradox.

Obkom Chief on Polozkov Resignation Demand

91UN1948B Moscow *RABOCHAYA TRIBUNA*
in Russian 25 Jun 91 p 2

[Report by *RABOCHAYA TRIBUNA* correspondent Vyacheslav Nechipurenko: "Behind Closed Doors"]

[Text] Novosibirsk—Truly, I do not know whom to believe these days. Should I believe *KOMSOMOLSKAYA PRAVDA*'s 22 June issue, in which one reads the following lines in an interview with V.A. Mindolin, first secretary of the CPSU Novosibirsk Obkom [oblast party committee]: "Ten secretaries of the Communist Party's Siberian obkoms have signed a statement demanding that I.K. Polozkov resign his position as the head of the Russian Communist Party Central Committee! This happened in Novosibirsk, at a conference of secretaries of Siberian region CPSU obkoms. The

leading role in these events belonged to the leader of Novosibirsk Oblast communists, Vladimir Mindolin."

Or should I believe my own conversation with Vladimir Aleksandrovich two days before the publication of KOMSOMOLSKAYA PRAVDA? Here I quote my question and the CPSU Novosibirsk Obkom first secretary's reply:

"Has the issue of resignation been raised at the conference? And has there been any joint statement of the kind issued by the first conference of secretaries of Siberian party organizations?"

"Neither the former nor the latter has taken place. We discussed a difficult—if not critical—situation in the party. We also raised the issue of convening both CPSU and Russian Communist Party congresses. With the mandatory report by the leaders of the Russian Communist Party."

Today Vladimir Aleksandrovich added: "Of course, KOMSOMOLSKAYA PRAVDA twisted the facts."

Later I will share with the readers more about my conversation with the first secretary of the CPSU obkom and the situation in the region's Communist Party organization. For now, I only want to say this. I cannot question the veracity of what KOMSOMOLSKAYA PRAVDA says; nor can I disbelieve the words of the leader of the Novosibirsk communists, whom I respect. Which side is right, however? I think such questions would not be coming up if we abandoned the practice, still frequently employed, of conducting topical discussions on intraparty affairs behind closed doors.

Yeltsin White House Speech Cited

91UN19484 Moscow *RABOCHAYA TRIBUNA*
in Russian 22 Jun 91 p 3

[Unattributed report under the rubric "Direct Broadcast: The Voice of America": "This Is What Boris Yeltsin Said"]

[Text] On Thursday, President Bush met with Boris Yeltsin to congratulate him on winning the first popular presidential elections in the history of Russia and to discuss the problems facing the Soviet Union.

Before the meeting started, President Bush and President Yeltsin came to the microphones on the White House lawn. This is what Boris Yeltsin said before his meeting with President Bush:

"Dear Mr. President! I thank you for the warm words you have spoken about my Motherland, my country—Russia, Gorbachev, and me. I thank you for inviting me to the White House to exchange opinions about the current situation in Russia and in our country, and about the future we want to build. The popular election of the president of Russia was the wish of the majority of people of Russia; this is evidence that Russia has made its final choice—the choice of the democratic road and

of deep radical economic, social, and other reforms. We, too, support the point of view that the Baltic republics should be set free, instead of keeping them in chains, because chains will not create a Union.

"I want to assure you, Mr. President, and I want to assure all the American people, that everything positive that was accomplished by President Nixon, by you, Mr. President, and by President Gorbachev in regard to security issues and issues of cooperation, which are indeed reducing military tension in the entire world, has constituted milestones on this long and serious road, and that Gorbachev and I will try to continue along this road.

"Yes, there are still some forces in our country that believe that it is still possible to return to the old times; that one can move in reverse to the beginning of perestroika and return our country back to the old times of stagnation; I can say with full responsibility that this will not happen. Russia, which today produces 70 percent of the national product of our country, is firmly set to go along the road of democracy, and it will not let any forces turn back history."

Assault on City Soviet Deputy Viewed

91UN19034 Moscow *SOVETSKAYA ROSSIYA*
in Russian 22 Jun 91 First Edition p 2

[Article by SOVETSKAYA ROSSIYA correspondent A. Solarev: "Details in Addition to a Telegram Published in the Previous Issue: Vengeance Against a Deputy"]

[Text] Tolyatti—As we reported in yesterday's issue, Prokopyi Fedorovich Bezguzikov, deputy of the city and Tsentralnyy Rayon Soviets, was cruelly beaten up. The assault occurred early in the morning, right next to the house where he lives. This is what Prokopyi Fedorovich said about what happened:

"Two young, brawny fellows of about 20, one in a red jacket and the other in a blue jacket, caught up with me and tried to hit me on the head from behind with a metal bar. At the last moment I managed to duck, and caught the blow on my back. The attackers knocked me down and went on beating me up. Luckily there were people nearby; they started yelling, and this caused the attackers to run away. This can hardly be considered a random attack; however, the law enforcement organs will draw the final conclusions. I would only like to note that even a week before this I was given to understand quite clearly: anything may happen in this day and age."

Who is Prokopyi Fedorovich? In his younger years he was a miner in the Urals and a Komsomol [All-Union Leninist Communist Youth League] functionary. Subsequently, he was a design engineer in Tolyatti. He is now retired. For two decades he has been an active worker correspondent of the local and central press. He has repeatedly published unbiased articles in SOVETSKAYA ROSSIYA. He always undertakes to investigate acute situations which prompt an extensive public response. Some of the characters featured in his

publications have been reprimanded, others have been fired from their jobs, yet others have ended up in the dock.

Therefore, he has a good many enemies. All kinds of things have happened on account of this: they have cut off his phone, and have threatened him with murder to his face. They have also offered him large bribes. His characters have also taken him to court repeatedly.

Last September an attempt was made to set his apartment on fire in the dead of night, during which they first cut his phone cable and turned off the water and only later torched the front door. SOVETSKAYA ROSSIYA reported this in detail at the time. Despite the fact that criminal proceedings were initiated in conjunction with the case, no culprits have yet been found.

On one occasion, Prokopy Fedorovich was asked:

"Are you not afraid of reprisals?"

Bezguzikov smiled in response:

"I try to walk in the middle of the street so that a chance brick does not fall on my head from the roof."

So, this "brick" came out of the bushes almost next to his home.

Nobody in Tolyatti doubts that this was not a random attack, that it is associated with Bezguzikov's deputy activities, as is a most active member of the permanent commission of the city soviet for the rule of law, maintenance of legal order, and protection of citizens' rights. Moreover, the results of his deputy investigations do not fade into oblivion. His article on arrangements existing at the Volgotsemmash Association recently caused quite a stir. The leadership of the association disposed of hard currency and goods purchased abroad, including cars, virtually free of control. Bezguzikov made even more enemies with this article. Not so long ago his colleagues in the deputy corps also caught it from him. Despite elementary logic and regular integrity, a session of the Tolyatti City Soviet did not consent to criminal proceedings against a deputy who was caught red-handed in the act of theft. Bezguzikov relayed this in the press too, stressing that some deputies are already becoming a caste of untouchables.

I do not want to jump to any conclusions or tie these articles to the attack. However, this is a repeat of another situation: last year his apartment was also set ablaze after a series of denunciatory articles.

Criminal proceedings have been initiated in conjunction with the assault on the deputy. Law enforcement organs are looking for the criminals. However, will they find the criminals? After all, the arson case has not yet been solved. Given the crime situation that exists in Tolyatti, the local militia is hardly in a position to pay due attention to an incident which, in general, ended without any particular consequences. Prokopy Fedorovich is

already virtually healthy, and as active as before. Meanwhile, the militia have a multitude of serious cases with grave consequences. Quite recently arson was committed on the premises of the Avtozavodskiy Rayon Court. The criminals succeeded in totally or partially destroying about 200 case files, many of which were being tried. There are murders, rapes, people missing without trace, and other grave crimes virtually every day. The law enforcement organs simply do not have enough manpower.

Nonetheless, as I see it, the best resources should be assigned to solving yet another political crime (nobody doubts that it is a political crime). Elected representatives of the people should be securely protected, not only by a theoretical law on defending their honor and dignity but also by the actual deeds of the law enforcement organs.

Bezguzikov has not been intimidated; rather the opposite: it seems to me that this further attack has boosted his energy and vigor. He still believes that the truth should prevail.

Miners' Hunger Strike Continues

21 June Report

914F02554 Moscow RABOCHAYA TRIBUNA
in Russian 21 Jun 91 p. 1

[Report by RABOCHAYA TRIBUNA correspondent Mikhail Popov: "Again a Hunger Strike"]

[Text] Chelvyabinsk—About a hundred miners from the Central Karabash Copper-Smelting Combine are in their fifth day of an underground hunger strike.

They were forced to resort to the strike by the administration's decision to close the mine due to its unprofitability. Finding themselves under threat of dismissal and unemployment, the miners descended on 17 June to a depth of over 900 meters and since that time have categorically refused either to ascend from the mountain or to take food.

The decision to close the mine was made a long time ago; however, it was linked to the future reprofiling of the combine and was planned for the next two to three years. By sharply cutting back financing, however, the USSR Ministry of Metallurgy (Minmet) hastened the development of events.

The miners have sent delegates to Moscow for talks at Minmet. They are demanding repeal of the decree curtailing the mining of ore and eliminating the mine, allocation of the necessary funds for reprofiling the enterprise, and implementation of measures to improve the ecology. They are inviting the ministry leadership to come to Karabash to examine their problems fully. The miner hunger strikers maintain daily contact with their envoys. So far unreassuring reports have been coming from Moscow, but the miners remain underground.

Their determination to stand fast is reinforced by their wives and children, who during these days have essentially moved into the mine's administrative building, as well as by the workers of other enterprises in the city, who have held meetings in support of the miners.

22 June Report

914F0255B Moscow TRUD in Russian 22 Jun 91 p 1

[Report by TRUD correspondent A. Lyapustin: "The Conflict Is Not Yet Exhausted"]

[Text] Chelyabinsk, 21 June—The newspaper's 20 June publication, "Miners' Circles of Hell," provoked stormy reactions among our readers. Agitated telephone calls resounded, as if to say, what's going on there, how are the miners lasting underground doing?

As the chairman of the Central Soviet of the RSFSR Trade Union of Workers in the Mining-Metallurgical Industry, B. Misnik, informed the FNPR [Federation of Independent Russian Trade Unions] Press Club, on 20 June the director of the Karabash Copper-Smelting Combine, V. Ogurtsov, signed decree No. 392-k abrogating all previous instructions on the cessation of mining and preparation for temporarily shutting down the Central mines.

Despite the fact that the main condition of the underground miner hunger strikers has been met, they remain in the mine.

This is what our correspondent reported.

According to Chelyabinsk television, the Karabash miners have declared that even if they stop their hunger strike, they will stay in the mine.

The miners have been supported by the obkom of the metallurgist trade union, which previously had warned the combine administration about the possibility of a conflict. They hadn't listened. At the obkom's insistence on its rightful inspection, the decrees that provoked the hunger strike were repealed. However, V. Ogurtsov did not agree to the formulas proposed by the obkom but composed his own. I am repealing the decree because 12 million in credits have been allocated (by the obls. polkom), as well as 2.8 million in subsidies (by the ministry). The union leaders were supposed to bring the decree down into the mine, the director would not stoop to that. But the miners were waiting for him specifically to admit that his actions had not been well thought out and for this reason they remained underground.

On 20 June the trade union obkom sent the miners a telegram saying that they would review the actions of V. Ogurtsov at their presidium at the beginning of the week. Yesterday the "miner envoys" flew into Chelyabinsk from Moscow. They brought to Karabash an agreement stating that by the end of the month a ministry commission would come to the town to decide the mine's fate.

So you see, at first they cut them off, and now they're coming to measure. Will the miners ascend from the pitfalls?

Karabash Social Tension Described

914F0255C Moscow SOVETSKAYA ROSSIYA
in Russian 22 Jun 91 First Edition p. 1

[Report by L. Leonov: "Unemployment: The First Blow"]

[Text] Nowadays you aren't going to surprise anyone with a strike. But the strike of the miners in the small Ural mining and metallurgical town of Karabash is something out of the ordinary. Evidently that is why the reports about it that have flashed by in the local and central press and on Central Television (TsT) possess a certain vagueness. Some see in it a protest against the ecological pollution of the okrug, others the consequence of the collapse of the administrative-command system, still others, the fruits of the past, the allegedly mistaken path of socialist transformations.

I dare to assert that none of these three are right. The strike of the miners in Karabash inaugurates a new stage in the workers' movement. This is the first strike of the unemployed. Its "father" is the course to the market economy with its inevitable so-called labor market.

On Monday, 17 June, more than a hundred miners descended into the mine of the Central Karabash Copper-Smelting Combine to a depth of 850 meters and proclaimed a hunger strike. When I was at the mine, people were already into their fourth day of refusing food and found themselves in an extraordinarily dangerous sulphurous atmosphere underground.

The miners did not threaten to stop work. On the contrary, they were trying to get it. They were demanding repeal of the decree of the director of the copper-smelting combine, V. Ogurtsov, which curtailed mining work at the mine, temporarily shut the mine down, and closed it as of 1 October.

The miners were not demanding a raise in their salary, which, by the way, is ridiculously low, averaging 340 rubles (R). They were not making political demands; they were asking for one thing: give us work.

Not only workers but engineers and technicians went down into the mine. Their demands have been supported by their wives, who have been racing around town anxiously, with tears in their eyes, to various offices, trying to find justice. By the way, during last spring's strike of Chelyabinsk miners, I know, not all miners' wives shared their husbands' position. But here—where can they turn? The decision to close the mine has affected the vital interests of about 500 families. The army of superfluous people in the town already numbers about 1000 people now, without this. They are forced to travel to work in neighboring towns—Miass (60 km).

Kyshtym (45 km), and even Chelyabinsk (over 100 km). Their working day, including round-trip travel, exceeds 12 hours!

What has been the source of social tension in Karabash?

A few years ago the name of the town never left the pages of the press. The "democratic" press in particular picked out the Karabash theme. Indeed, the situation in the town was and remains extraordinarily complex. The hazardous but here sole copper-smelting production was poisoning the okrug. Karabash residents were leaders in oncological diseases, and frightening figures were cited.

The combine's fate was predetermined. The whole question was the pace of its reprofiling. The USSR Council of Ministers passed a resolution on this account back in 1985, and two years later the program began to be implemented, calculated to last five years. The plan was to move out the old units and introduce new technology, new production. In all this, the factor of people's employment was taken into account.

However, meeting passions provoked extraordinary measures. The town was shaken by demands to close that murderous place—the combine—immediately. And it was closed—hastily, bumblingly—last year. This is not hard to do, after all.

After that, though, the merciless burgeoning market began to function. After 10 metallurgical units of the combine were closed, the ministry promised a subsidy of R10 million for 1990—after all the enterprise had become unprofitable. But by December the ministry didn't have the money. Not a kopek of the subsidy of R8.5 million for the current year has been paid out. The cause is well known—the enterprises have become separatist and are not transferring money to the ministry.

By the beginning of June the combine had reached the brink of bankruptcy. About R11 million were owed to creditors, and the bank cut off financing. There was nothing left with which to pay people. And they were saddled with an unprofitable mine—R3.5 million in losses annually, R1.8 million for kindergartens, R1.5 million for the housing fund, R1.5 million for private plots—half a million in losses. The market demands one thing—chop off unprofitable links.

The workers say that the mine could be saved, and they propose increasing extraction and making production profitable. Especially since they have been readying a new level, having spent seeds of money on preparatory work. But the market doesn't need these revivings. No demand, no production. And the state of the market right now is such that copper goes for two times less than the raw concentrate from which it is extracted.

People see the cause for all their misfortunes also in the fact that the town's leaders are not fulfilling their obligations and are not defending the laborers.

"Here's what upsets and astonishes me," says the wife of striker I. Besspalov. "After all, the town's leaders, seeing

this kind of strike, ought not to sleep at night, they ought to be taking steps, but they don't even want to listen at the town soviet. So I think a meeting could be called for Saturday. But who would we be meeting with? The bosses are all going to scatter to their own gardens, while our husbands are starving in the mines."

It occurred to me: for all the years the old system was falling apart, it treated each working person's complaint like the most important document—presenting it for inspection and demanding measures be taken. We destroyed that with our own hands, adopted new, harsh relations between people, and are insulted that no one pays any attention to the troubles of laborers.

No, the workers do not yet understand why they have become unemployed. Their wives don't understand why now they must pay R80—one-third of their salary—for a place in a kindergarten. But inevitably, sooner or later, they will understand, just as the miners of the Kuzbass are already beginning to understand, having eloquently voted in the presidential elections against the course to unemployment and injustice for the laboring person.

Undoubtedly, we are at the start of the class struggle at which the populists hissed. The lessons of Karabash attest: the people are not going to agree so readily to the manipulation of the "work force," no matter what anyone thinks. The working people for some reason do not want to lose their old jobs or change professions and set out for other towns at someone else's wish.

The conflict at the Central will, of course, be resolved. The oblsposkom has promised the combine a R12-million interest-free loan in exchange for the territorial decree. The first millions have been transferred to the subsidy account from Moscow. All the decrees, as has been explained, have been repealed. But all this merely postpones the decisive struggle. Because, on one hand, sooner or later at the combine (or perhaps somewhere in the FRC) a privatist boss is going to show up who will spit on the tears of the miners' wives. On the other hand, unemployment tends to open people's eyes very quickly.

Alternative to Privatization Law Described

91UN19294 Moscow SOVETSKAYA ROSSIYA
in Russian 25 Jun 91 First Edition p 2

[Report by B. Kurashvili, doctor of legal sciences, and I. Osadehly, doctor of historical sciences: "The People Are Beginning To Open Their Eyes"]

[Text] A group of Communist USSR people's deputies and the "Communists of Russia" have submitted to the Union and Russian parliaments draft legislation rejecting the selling off of the people's property to shady dealers and establishing collective entrepreneurship as the basis of the market.

Since the adoption of Union and Russian laws on ownership, enterprises, and entrepreneurship that legalized capitalist entrepreneurial activity (that is, economic

activity based on private ownership and the use of hired labor), legislators have started to resolve the next question: how to convert state enterprises to other kinds of enterprises—primarily private enterprises. Both the Russian and the Union parliaments adopted draft laws on denationalization and privatization at the first reading. The road to replacement of the public system in the country has been a smooth one. Its apologists have asserted tirelessly from the tribunes and in the press that there are no alternatives to that road, that it is the only correct path to bring good to the people.

Early in May, however, people's deputies from the Communists of Russia group submitted to the RSFSR Supreme Soviet their own draft law whose import can be expressed thus: denationalization without privatization. This draft legislation, alternative legislation in the full sense of the word, was also submitted by communist deputies of the USSR Supreme Soviet.

As experts, we participated in the work on the alternative draft, and we are able to state with a proper sense of responsibility that what we have before us is not just amendments to the official draft but an open, principled opposition to an antipopular policy in effecting the economic reform. The basic direction is strict limitations on state regulation of the economy and elimination of the bureaucracy on the basis of the formation of a system of market self-regulation.

The market by no means makes privatization mandatory, or private capitalist entrepreneurship in general. And likewise, we do not have any economic need for extensive privatization. Proceeding from its own mercenary interests, what it wants is shadow structures and short-sighted policies to serve them (sometimes with good intentions), and both need foreign capital behind them, interested in changing the USSR into a raw materials appendage for the world economy, an ecological dump, and a sphere in which to exercise its influence.

Our society has no reason to meet them halfway.

For the market all that is required is to convert the greater part of the present "state" enterprises into independent commodity producers, formations for collective entrepreneurial activity. This is the essence of the proposed draft. Its main element is the transfer of most "state" (in reality, people's) enterprises to the full-fledged economic ownership of the labor collectives.

The draft is innovative and modern. Communists are conservative in the sense that they stand for preservation of the existing social order, but they are ready to go as far as you like and to cooperate with whomsoever you like in the matter of modernizing this order and bringing it into line with the conditions of life and the needs of the individual and of society, without permitting the exploitation of man by man.

The following quite logical question may also arise: Does not this innovation go beyond the limits of the Constitution?

No, it does not. We believe that economic reform should be carried out constitutionally, not at variance with the existing Constitution.

The laws passed in 1990 and 1991, including the laws on property, on enterprises, and on entrepreneurial activity in the USSR and the RSFSR that legalize unrestricted private ownership and private capitalist entrepreneurial activity based on this form of ownership as an "equal" but in fact dominant in the economic system, should be declared unconstitutional and without legal force. Why? Because those laws are aimed at changing the social order but they are at variance with the requirements of Article 5 of the USSR Constitution inasmuch as the most important issues of state life (which are primarily those relating to issues concerning change in the social order) should be resolved by the vote of all the people—referendum. And the package of laws on privatization cannot be passed without a referendum.

We draw your attention to this detail. Instead of the term "state property" the term "people's property" is used. The people are the owner. The state is their representative. As such, the state does not have the right to sell off the people's property. And for this reason, the enterprises based on ownership by the people (in the Union, the republics, the regions) are called people's enterprises.

By denationalization of people's property we mean limiting the powers of the state to manage people's enterprises or transform people's property into collective property, and also, in the case of privatization, into private property.

In the production sectors in which the monopoly of a producer is difficult to eliminate or demonopolize, the state exercises direct control over people's enterprises on a permanent or temporary basis.

In production sectors in which adequate demonopolization is insured and an economic mechanism for competition and self-regulation operates, people's enterprises are given the right to self-management; this is the basic form of denationalization.

People's enterprises managed directly by the state are known as people's state enterprises. Giving due consideration to the opinion of the collective, a higher state organ appoints the administration of a people's state enterprise and transfers property to it for economic management.

People's property is transferred by the state organ empowered to do so in accordance with a general (constituent) contract that defines the natural composition and value of the property and the common aims of its use, and the profile of the production activity that, as a rule, should constitute at least half of total output. The

production profile may be altered only either by agreement with the state organ or, if provision is made for this in the contract, by giving it prior notification. The natural composition of the property is altered at the discretion of the enterprise. Along with its basic (profile) activity, an enterprise may engage in any kind of activity advantageous to it.

The amortization standards and rates for mandatory deductions to the production development fund are set by the above-mentioned contract by calculating the requirements of timely reproduction and reconstruction of fixed production capital. Sums accumulated by the enterprise are spent at its own discretion.

Questions of production planning, marketing of output, and distribution of income (after deduction of taxes) are resolved by the labor collective independently. Contracts for orders are concluded between the state organ and the enterprise acting as equal parties.

Actual changes in the natural composition and value of people's property in the total economic possession of the labor collective, and also the labor collective's own contributions to fixed and circulating capital, are fixed in annual protocols drawn up by the state organ and the enterprise administration and set forth in the general (constituent) contract between them.

In the event that a labor collective permits an unjustified decrease in the value of the people's property given over to its possession or does not multiply it within a set amount, the state organ has the right to transfer the enterprise to direct state management for a period not exceeding two years.

When the labor collective of a people's enterprise so decides at a general meeting (or conference), internal credit can be used in the form of a bond issue and the sale to its own workers of nominal shares not available for free sale. When a worker transfers to another enterprise, the nominal value of bonds and shares is returned to him, and when a worker retires on pension he can leave bonds and shares and pass them on as a legacy.

People's self-managing enterprises may at their own discretion, and state enterprises with the agreement of higher state organ, issue shares backed by the property in

the full-fledged economic possession or under their management, and also assets invested in enterprises by members of the labor collectives.

The shares of people's enterprises are issued exclusively among people's enterprises and thus serve as a means for mutual funding and free cooperation in resolving production problems.

A people's enterprise may sell its shares to collective enterprises only in exceptional cases with the agreement of a higher organ and in an amount not exceeding 20 percent of all shares issued. Free sale of the shares of people's enterprises to citizens is not permitted. In this way the conversion of people's enterprises into private capitalist enterprises is excluded.

One natural question is this: Will it be possible to transform people's property into other forms of property?

With the permission of the labor collective a people's enterprise may be transformed into a collective enterprise based on the redemption of people's property.

Small people's enterprises and their subdivisions, which may function mainly on the basis of individual and family labor, may under the terms of a contract with a competent organ be privatized by means of redemption of people's property, that is, transformed into a private labor enterprise.

The draft also contains other progressive provisions which for want of space we are unable to describe. The problem now lies elsewhere—will the USSR Supreme Soviet accept this draft?

Of course, it is possible, even likely now, that the legislators will be pressured to vote for antipopular privatization. But we are sure that the people will not accept this, and that sooner or later the people and the labor collectives will force the authorities to take a course toward de-state-ization and elimination of the bureaucracy without any extensive privatization. Many people are at present deceived and disoriented by the extensive propaganda of privately owned enterprises. But the drug is wearing off and the people are beginning to open their eyes.

First Quarter Economic Statistics Released

914407384 Kiev SILSKI VISTI in Ukrainian
30 Apr 91 p 2

[UKRINFORM article: "The Economy of the Republic: The Crisis Phenomena Are Increasing"]

[Text] The report of the Ukrainian SSR [Soviet Socialist Republic] Goskomstat [State Committee for Statistics] on the results of the first quarter testifies to a further decline in production that took place in almost all the national economic complexes and regions, which has led to a significant deterioration in the socioeconomic situation, a reinforcement of inflationary processes, and an increase in crisis phenomena in the economy of the republic.

For example, by comparison with the corresponding period for last year the GNP declined by 2.7 percent, the generated national income, by 4.4 percent, and the productivity of social labor, by 3.6 percent.

The raising of budgetary income is taking place with great difficulty at all levels: some 10.8 billion rubles [R] have been received, which is R2.1 billion or 16.4 percent lower than the plan for payments. Receipts from the turnover tax alone fell short by R2.4 billion. This is the result of a significant increase in wholesale prices and a decline in the production and sale of goods with high tax rates. The republic was left with total receipts from the turnover tax of R3.6 billion. Taxes on the population comprised R2.1 billion, which is 1.1 billion or 2.2 times more than for the first quarter of last year. Budgetary outlays are R9.1 billion, or 64.1 percent of what was planned. The state of payment discipline has worsened. At the end of the quarter the total sum of postponed payments was R1.8 billion and had grown by comparison with the first quarter of last year by R167 million or 10.1 percent.

The number of people employed in the national economy in the first quarter declined by 0.3 million people by comparison with the corresponding period for last year and consisted of 25 million people. It is estimated that over 900,000 people (including those who hold other jobs) work in cooperatives that produce goods and render services. Industrial enterprises that function on a leased basis—and there are 489 of them—produced output worth R5.4 billion (8 percent of the total for industry as a whole). Under the conditions of development of a market economy and the activity of the labor market, the problem of providing jobs and employing the population is worsening and becoming more urgent. Workers dismissed from enterprises in conjunction with elimination, reorganization, or curtailment of the staff of the enterprises are in the most difficult situation. Of those who have come to the organs of employment services, over 80 percent have not been provided with jobs and can potentially be listed as unemployed. Every second citizen released from corrective labor institutions and preventive treatment and labor facilities, as well as more than half of the people who were previously employed on home and personal subsidiary plots have

found themselves in the same situation. Of every 10 retirees who have searched for work, six have been placed in jobs. At the same time there exist a significant quantity of free jobs and vacant positions: at the beginning of April there were 210,000 jobs registered, of which 199,000 are for workers.

More labor time is being wasted. In February-March alone 641,000 man-days were lost as a consequence of strikes (the most were in Donetsk and Lugansk Oblasts). Direct losses caused by this (without taking into consideration the losses of subcontractors) are estimated at R124 million.

The monetary income of the population is increasing. It comprised R32 billion, or R6.1 billion more than for the corresponding period last year. In conjunction with increases in retail prices and fees in March, the population was paid R1.8 billion by way of compensation. Beginning January 1991 all forms of pensions were increased R5-R40 depending on how long the pension has been in effect, and social pensions were introduced for disabled people who do not have a right to labor pensions. On 1 April the population's deposits in institutions of the USSR Savings Bank stood at R89.9 billion, which is R5 billion more than at the beginning of the year. By comparison with the corresponding period for last year, they grew by R13 billion or 17 percent.

At the same time the population's outlays to purchase goods and pay for services (consumer expenses) increased by 18.9 percent and reached R23.7 billion. In the process, the level of state retail prices for consumer goods increased by 13 percent compared to the first quarter of last year and by 10 percent for food goods (calculating sales in state trade and in stores of the city cooperative trade organizations, at commercial prices, and on the kolkhoz [collective farm] market). Under conditions of a critical situation on the consumer market, speculation has become widespread. Information received by the organs of statistics in March 1991 shows that at "black market" prices, which exceed state retail prices by a factor of two to 12, one may purchase practically all types of food and nonfood goods, beginning with imported tea, various types of canned goods, and alcoholic beverages, and ending with medical preparations and cars. At the same time, in January-March the republic's industry produced consumer goods, including alcoholic beverages, worth a total of R22.3 billion (at retail prices), which is R0.2 billion or 1 percent more than during the corresponding period last year.

The food problem has become extremely aggravated. One of the reasons for this is also that the overwhelming majority of the oblasts have reduced production of meat, animal fats and cheeses, unadulterated milk, canned goods, mineral waters, and nonalcoholic beverages. Simultaneously, compared with the first quarter of 1990 deliveries from the all-Union fund of meat products

have decreased by 84,000 tons (46 percent), dairy products by 155,000 tons (47 percent), and egg products by 462 million units (82 percent).

The critical situation on the consumer market is the result not only of a severe shortage of practically all goods but also of panic buying in conjunction with an expected increase in retail prices. People have been trying to purchase any goods at all for purposes of storage as well as for their later exchange and resale. Operations are poorly organized at enterprises for public catering, where two-thirds of the increase in sales turnover has been achieved at the expense of increased prices and increased sales of alcoholic beverages. A growth in the volume of paid services has also been obtained in this same fashion.

The state of the environment is unsatisfactory in many instances. In the first quarter of the current year the organs of the Ukrainian hydrometeorological service registered 40 instances where maximum permissible concentrations of harmful substances in the atmosphere were exceeded by a factor of 10 or more in the cities of Krasnoperekopsk, Lisichansk, Mariupol, Rubezhnoye, Severodonetsk, and Kharkov. Some 131 instances of high levels of concentrations of contaminants were registered at 47 of the republic's water facilities.

The crisis phenomena in the economy and social tension in society have to a significant degree caused an increase in crime in all the republic's oblasts. During January-March 92,500 crimes were registered, which is 14.2 percent more than for the corresponding period for last year. The quantity of thefts and armed robberies increased. The number of larcenies of state or public property is 13,400, which exceeds the indicator for the first quarter of 1990 by 20.8 percent. Some 33 instances of the theft of arms and ammunition were registered. Crime among juveniles is growing. Fewer crimes are resulting in arrests. At the same time a tendency has been noticed toward a decrease in the number of premeditated serious bodily injuries, rapes and attempted rapes, premeditated murders, and attempted murders. Fewer instances of hooliganism subject to criminal action have been registered.

The national economic complex is in a complicated situation. The volume of industrial production declined by 4 percent against the corresponding period for last year, and labor productivity declined by 1 percent. A slump in the output of industrial production was noted in all oblasts. The main reasons are nonsupply of material resources due to violation of economic ties, an absence of hard currency for the purchase of imported raw materials, and strikes in individual sectors. The conclusion of contracts for 1991 has still not been completed at this time. As of 15 April contracts had been completed for 93 percent of the output planned for delivery

In the sectors of the fuel and energy complex output of basic types of fuel—natural gas, petroleum (including

natural gas condensate), etc.—continues to decline. As a consequence of the strikes which occurred in March at one-fifth of the mines, losses in coal amounted to 2.5 million tons. On the whole, 8.6 million tons less coal was produced than for last year, including 4 million tons less coking coal. The volume of primary processing of petroleum and production of basic products from it—gasoline, diesel fuel, and fuel oil—declined. Production of basic types of output declined in the metallurgical complex, the chemical and wood complex, the machine-building industry, the construction industry, etc.

The agro-industrial complex is not providing for the demands of the national economy. By comparison with the corresponding period for last year, workers of the complex produced and sold to the state significantly less livestock output and purchases of hothouse crops declined, which had a negative effect on the operations of processing enterprises and the provision of food products to the population, particularly the people of the industrial centers of the republic. Spring field work is moving slowly. As of 22 April, 7 million hectares of spring crops had been sown, 6.6 million of those hectares on tracts of land devoted to spring crops, or 41 percent of what has been planned. The countryside is suffering from a shortage of tractor plows, spare parts, and chemical fertilizers.

Capital construction is in a difficult situation. An increase in prices of building materials as well as the transition to contract prices has resulted in higher construction costs, aggravated the problem of financing construction, and had a negative influence on the conclusion of work contracts and an expansion of the volume of work. The pace of housing and social and cultural construction has declined in particular. By comparison with the first quarter of last year, the introduction of housing decreased by almost 140,000 square meters or 10 percent. Declines took place in 13 oblasts, the Crimean ASSR [Autonomous Soviet Socialist Republic], and the city of Kiev.

As a consequence of the slump in industrial production and miners' strikes in the first quarter of this year, the volume of conveyance of freight by common forms of transportation decreased by 65 million tons (11 percent). Operations of all forms of passenger transport remain unsatisfactory.

Communications enterprises rendered the population services worth R221 million, which is 17 percent more than in the first quarter of 1990.

In January-March 1991, 760 enterprises and organizations of the republic took part in foreign economic activities and supplied R1.4 billion worth of production for export, which is R2.6 million less than during the corresponding period for last year. At the same time there was an increase in deliveries of goods for export to be sold for freely convertible currency. There were R868 million worth of such deliveries. As previously, the basic component of export deliveries is still raw materials and

consumer goods and materials, which make up 90 percent of the total exports. At the same time there was a shortfall in deliveries to foreign partners of output worth almost R42 million.

Macroeconomic Forecast to 1995

914A0811A Kiev *EKONOMIKA SOVETSKOY UKRAINY* in Russian No 4, Apr 91 pp 16-27

[Article by Doctor of Economic Sciences V. Geyets: "Macroeconomic Forecast of the Development of the Ukraine's Economy to 1995"]

[Text] At present the state of the republic's economy is characterized by a considerable deterioration. Stabilization measures did not give the expected results, first of all, because they were either erroneous or not fully realized. Today there is no sufficient clarity in this matter. Consequently, the task set by us—to give a forecast of the development of the Ukraine's economy during the period of its deepest crisis—is very complex both from the standpoint of possible results and consequences, which on the expiration of the forecast period can prove to be totally different from what we assume, because both a further development of the crisis and a revival—even if slow, but nevertheless a revival—of tendencies promoting economic growth and recovery of the Ukraine's economy are possible. Owing to the fact that all the research conducted to date, nevertheless, points to the existence of the possibility of improvement in the situation without further deeper upheavals, I jointly with my colleagues from the Institute of Economics of the UkSSR Academy of Sciences made an attempt to evaluate the development of processes determining possible economic growth in the Ukraine in 1991-1995 and to propose some measures to speed up getting it out of the crisis.

Today it is impossible to look into a more remote period, because the course of implementation of economic reform in the country as a whole and in the republic in particular to a considerable extent has begun to be dictated by a number of such negative phenomena new to our economic life as intensification of inflation, decline in production, instability of interregional economic ties, unsteadiness of deliveries of material export resources, different approaches in programs for the transition to a market economy, and political tension and instability. The lack of clarity in the development of these phenomena, as well as of a forecasting methodology and, above all, of information for an evaluation of the prospects for their development, has forced us to make the above-mentioned choice of a long-term period.

The habitat created by nature, as well as by man as a result of labor activity, and the effectiveness of the management system stand out among the conditions and factors having their effect on the state of and prospects for changes in the reproduction process in the economy. This has been characteristic throughout the entire history of every economic system.

The system of assessment of conditions and factors affecting economic development traversed a complex path of transformation during many centuries. Today, however, it is still early to say that a satisfactory model of an economic-ecological-technical balance on a global level has been created. There is a need for its further development on the basis of a deeper understanding and measurement of the correlation of major components determining reproduction processes, primarily in the economy. At the same time, life demands practical calculations. And although the forecasts made according to them have not always been justified, nevertheless scientists and practical workers carry out work in this direction.

There are two groups among reproduction conditions. The first—natural conditions, the provision with which relatively does not depend on the level of development of productive forces. Conditions that have been created and change continuously as a result of the performance of man's purposeful labor activity, at the same time, affecting labor efficiency, constitute the second group of conditions. The characteristic feature of these conditions is that, being the result of the labor process proper during the retrospective period, over a long-term period they affect both the development of the labor process proper and its effectiveness, thereby causing changes in themselves and in the state of conditions of the first group.

The conditions of the second group include primarily the accumulated economic and scientific-technical potential materialized in the means of production, in live labor, and in the production organization and management system created with a certain degree of perfection.

As a rule, highly developed industrial production with land, water, labor, mineral-raw material, fuel-power, and ecological resources, which, at the same time, are limited at present, is concentrated in regions with a high degree of economic development of the territory, which includes the UkSSR. A large agro-industrial complex with almost fully utilized land resources functions in this structure. The further withdrawal of these resources from agricultural use is connected with a violation of the proportionality of its functioning and with other negative consequences. Owing to the high level of development of the territory and its resources and the high density of the population and its employment, which lowers its mobility, as well as the high concentration of industrial and modern agrarian production, the boundaries of initial conditions, on the basis of which internally consistent development is possible, are narrowed.

At the same time, possible variant solutions concerning the determination of the prospects for economic development can expand significantly owing to an increase in the diverse combination of the multitude of both existing conditions and those that will probably be created in the process of further production development. The process of change in their basic effect on the prospects for and patterns of the further reproduction

process in republics with the formed structure of productive forces is determined by the possibilities of scientific and technical progress, because the saving of live and embodied labor, as well as of all types of resources, can be obtained only as a result of materialization of scientific knowledge.

In the forecast of basic macroeconomic indicators of development of the Ukraine's national economy, which is presented below, an attempt is made to evaluate the effect of some scientific-technical, economic, and ecological conditions of its functioning and, at the same time, to forecast the possible prospects for a change in some reproduction proportions.

The UkSSR economy has an economic system, the production potential of which is basically formed and the possibilities of which for new construction are limited. Processes of reconstruction, modernization, and replacement of obsolete and worn out implements of labor and individual production facilities with much more improved, new ones should play the main role in ensuring further production growth. Ultimately, this will make it possible to carry out the process of intensification in the economy. These are large-scale measures, because they must encompass most of the republic's key economic sectors.

From an analysis of existing conditions, which determine the nature of the reproduction process in the republic, it follows that the resource base for its economy, as compared with such a base of other republics, in practice, is characterized by the highest utilization of land for purposes of agricultural production and by a vast technogenic load, as well as by a relatively lower degree of intensiveness of investment activity, as compared with the other Union republics, which have attained better results in the population's standard of living, although the total indicators of development of public production in the UkSSR are much higher than throughout the country. According to the data of the UkSSR State Committee for Statistics, in 1989 the republic's share in the total volume of the national income produced in the USSR comprised 16.2 percent. Among the Union republics this is the second place after the RSFSR, although in this index—per capita—it occupies the sixth place after the Baltic republics, the RSFSR, and the BSSR. At the same time, the relations formed

between resulting indicators (the gross national product and the national income) and resource indicators (capital investments, commissioning of capital, and availability of fixed capital) show that in the country as a whole, as compared with the UkSSR, resource provision for production was higher than the attained resulting indicators. In our opinion, such a result is predetermined by reserves of natural resources, as well as by the republic's more advantageous economic and geographic situation with relatively developed production and social infrastructures. At the same time, the efficiency of interaction of science and production, which is higher in the Ukraine than throughout the country, has its positive effect on the results of production and economic activity in the republic. First of all, precisely this factor has determined the higher level of production efficiency in the republic. It has definite prerequisites for this

A comparison of the size of the population and the number of specialists with higher and secondary education employed in the republic's national economy shows that in the UkSSR for almost the last 20 years the proportion of employed specialists with higher and secondary specialized education in the total population has been higher than throughout the country.

At the same time, the same ratio of employed scientific workers (including scientific and pedagogical personnel at higher educational institutions) in our republic is lower than throughout the country, although in time it grows continuously, reaching more than 14 percent in 1989.

An analysis of the results of performed calculations shows that in the UkSSR, as compared with the USSR as a whole, with the indicated total indicators of the residing population, its educational level, and employed specialists with higher and secondary education, as well as scientific associates, during the period from 1960 through 1989 indicators characterizing both achievements in the area of scientific and technical progress and its effectiveness in utilization in the national economy were relatively higher.

According to the data presented in Table 1, a rise in many indicators characterizing the effectiveness of scientific and technical progress in the UkSSR, as compared with the USSR as a whole, was attained.

Table 1. Some Key Indicators of Scientific and Technical Progress and Effectiveness of Its Utilization in the USSR and the UkSSR National Economy in 1971-1989 (in Percent)

Indicators	Five-Year Plans			
	1971-1975	1976-1980	1981-1985	1986-1989
Proportion of the UkSSR in the USSR				
of the number of authors submitting rationalization proposals and applications for proposed inventions	19.4	21.4	22.3	22.9
of the number of submitted rationalization proposals and applications for proposed inventions	20.2	20.8	21.8	22.6
of the number of inventions and rationalization proposals utilized in production	19.9	21.4	22.5	23.4
of economic effect from the utilization of inventions and rationalization proposals	20.3	20.3	20.8	24.5

Thus, an ever greater number of authors, who have submitted their proposals, are engaged in rationalization and invention activity, as compared with the level attained throughout the country. From 1971-1975 to 1986-1989 the increase comprised 3.4 percent points. The proportion of submitted rationalization proposals and applications for proposed inventions also rose: from 20.2 percent during the 9th Five-Year Plan to 22.6 percent during the 12th Five-Year Plan. The percent of their utilization increased even more significantly: from 19.9 to 23.4 percent respectively. At the same time, the republic's share in obtaining an economic effect from the utilization of inventions and rationalization proposals also increased—from 20.3 percent during the 9th Five-Year Plan to 24.5 percent according to the results of four years of the 12th Five-Year Plan.

An analysis of the totality of scientific and technical measures in the USSR and the UkSSR, which are

recorded in statistical collections, also shows the republic's increased role. According to the data presented in Table 2, the introduction of measures for new technology in industry grew at more rapid rates than in the USSR. For example, from 1971-1975 to 1986-1989 the proportion of introduced measures rose 1.7 points, although the proportion of actual expenditures on the introduction of the indicated measures decreased by 0.4 points. At the same time, the effectiveness of expenditures on scientific and technical progress in the republic increases constantly. From the calculations presented in Table 3 it is evident that, whereas during the 10th Five-Year Plan throughout the USSR the increase in profit per ruble of expenditures totaled 30 kopecks and in the UkSSR, 27 kopecks, during the 11th Five-Year Plan the ratio was in the Ukraine's favor. During the 1986-1990 period the mentioned indicator reached 50 kopecks in the UkSSR and 38 kopecks in the USSR as a whole. The period of recovery of expenditures on new technology in the republic's industry reached two years, whereas in the USSR as a whole it was 2.6 years.

Table 2. Expenditures on Introduction of Measures for New Technology in Industry and Their Economic Effectiveness in the USSR and the UkSSR in 1971-1989 (in Percent)

Indicators	Five-Year Plans			
	1971-1975	1976-1980	1981-1985	1986-1989
Proportion of the UkSSR in the USSR				
of the number of introduced measures	19.5	19.3	20.7	21.2
of actual expenditures on the introduction of measures (including expenditures of past years)	16.1	16.3	16.0	15.7
of the number of conditionally released workers	19.3	20.6	23.8	24.7

Table 3. Effectiveness of Introduction of Measures for New Technology in the USSR and the UkSSR Industry

Indicators	Unit of Measurement	USSR			UkSSR		
		1976-1980	1981-1985	1986-1989	1976-1980	1981-1985	1986-1989
Period of recovery of expenditures	years	3.3	3.5	2.6	3.7	2.8	2.0
Increase in profit per ruble of expenditures	kopecks	30	29	38	27	35	50

The increase in the effectiveness of introduced scientific and technical measures in the republic's industry, as compared with the effect attained throughout the country, is also confirmed by other indicators. Thus, the proportion of the conditional release of workers during the first four years of the 12th Five-Year Plan in the republic, as compared with the USSR as a whole, rose 5.4 percent points.

Scientific and technical measures were more effective in the republic. For example, as compared with the USSR, the proportion of the number of models of new machinery, equipment, apparatus, instruments, and automation facilities developed in the republic rose. In absolute terms, however, the development of new models in 1989, as compared with the average indicator in 1981-1985, declined by 20.6 percent. The proportion of the number of new industrial products developed for the first time also declined and during the 12th Five-Year Plan its level was the lowest in the last 20 years. And this despite the increased removal of obsolete designs of machinery, equipment, apparatus, instruments, automation facilities, and machine building products from production (see Table 4). For example,

during four years of the 12th Five-Year Plan the indicator of removal of obsolete models rose 4.6 percent points, as compared with 1971-1975. However, this, too, is far from sufficient. According to the data of the UkSSR State Committee for Statistics, the proportion of products mastered in production 10 years ago and longer at the republic's enterprises still remains significant. In 1989 it comprised 22.1 percent, that is, the production of more than one-fifth of the machine building products produced in the republic lags behind advanced production by approximately one generation. This is a very negative tendency. Among enterprises of such ministries as the USSR Ministry of the Automotive Industry, the USSR Ministry of Instrument Making, Automation Equipment, and Control Systems, the USSR Ministry of Chemical and Petroleum Machine Building, and the USSR Ministry of the Machine Tool and Tool Building Industry surveyed in 1988 the proportion of products produced with a period of 10 years and longer increased significantly. And only in some (the USSR Ministry of Machine Building for Light and Food Industry and Household Appliances, the USSR Ministry of the Electrical Equipment Industry, and the USSR Ministry of Heavy and Transport Machine Building) did the mentioned indicator drop negligibly (see in detail Table 5).

Table 4. Dynamics of UkSSR Contribution to the Development of Scientific and Technical Progress in the Country in 1971-1989 (in Percent)

Indicators	Five-Year Plans			
	1971-1975	1976-1980	1981-1985	1986-1989
Proportion of the UkSSR in the USSR				
of the number of developed models of new machinery, equipment, apparatus, instruments, and automation facilities	21.6	21.6	23.0	26.0
of the number of new industrial products developed in the USSR for the first time	29.5	27.3	27.0	27.0
of the number of obsolete designs of machinery, equipment, apparatus, instruments, automation facilities, and machine building products removed from production	22.8	22.7	23.0	27.4

Table 5. Proportion of Products Developed 10 Years Ago and Longer in the Production of UkSSR Machine Building Enterprises in 1983 and 1988 (According to One-Time Survey Data of the UkSSR State Committee for Statistics)

Name of USSR Ministries	Actually Changing Proportion With an Age Coefficient of 10 Years and Longer		(+)-Increase, (-)-Decrease
	1983	1988	
Ministry of Machine Building for Light and Food Industry and Household Appliances	28.5	22.4	-6.1
Ministry of Tractor and Agricultural Machine Building	27.4	liquidated	
Ministry of the Automotive Industry	23.3	39.6	+16.3
Ministry of the Electrical Equipment Industry	19.5	18.1	-1.4
Ministry of Construction, Road, and Municipal Machine Building	16.9	[*] 11.0	[*] -4.5
Ministry of Power Machine Building	14.1		
Ministry of Heavy and Transport Machine Building	11.2	10.7	-0.5

Table 5. Proportion of Products Developed 10 Years Ago and Longer in the Production of UkSSR Machine Building Enterprises in 1983 and 1988 (According to One-Time Survey Data of the UkSSR State Committee for Statistics)
(Continued)

Name of USSR Ministries	Actually Changing Proportion With an Age Coefficient of 10 Years and Longer		(+)-Increase, (-)-Decrease
	1983	1988	
Ministry of Instrument Making, Automation Equipment, and Control Systems	10.8	13.8	+3.0
Ministry of Chemical and Petroleum Machine Building	8.8	14.7	+5.9
Ministry of the Machine Tool and Tool Building Industry	8.0	11.2	+3.2

[* In the original text it is not clear as to which line these figures belong.]

An analysis of scientific and technical conditions of reproduction in the Ukraine's industry shows that, basically, they are unfavorable and during the 12th Five-Year Plan have had a tendency toward a deterioration. Simply, the state of affairs in the republic is getting worse more slowly than throughout the country.

The technical level of the production base of most industrial sectors in the Ukraine is characterized by the existence of a vast mass of obsolete equipment, the degree of wear of which continues to increase. For example, the proportion of equipment in operation for up to 10 years was reduced from 65.6 to 63.8 percent and of that utilized for 20 years and longer remained at the previous level (10.6 percent).

The level of mechanization and automation of production in industry continues to rise at slow rates. During the 11th Five-Year Plan, on the average, the number of mechanized flow lines annually increased by two percent and in 1986-1988, by 1.9 percent. The number of overallly mechanized and automated enterprises hardly increased.

On the whole, the state of affairs in the area of introduction of the achievements of scientific and technical progress into production at present in many respects can be characterized by the dissemination of new technologies bringing about a high level of production both with respect to its productivity and quality of output and the possibilities of reducing production costs, first of all, by saving the utilized raw materials, power, and supplies.

We have made a generalizing evaluation of the development of this process in the Ukraine for a number of key industrial sectors. With all the possible conditionality and even a certain inaccuracy the results obtained are very depressing. For example, the number of rapidly introduced new technologies, of which it was possible to

make some evaluations, annually makes up 0.04 to 3.2 percent of the total sum of necessary technological innovations.

It is quite clear that with such a state of affairs, in order to attain a mass utilization of new technologies in industry, from several dozens to hundreds of years will be needed, which, in practice, will determine our technological backwardness in industry forever. Since the role of industrial production in the transformation of the production basis for the national economy is decisive (because the existing basis has exhausted itself to a significant degree), this means that, if existing tendencies are prolonged, in the level of economic development the Ukraine may be classified among underdeveloped states in the near future.

A fundamental change in the state of affairs is needed. First of all, it is necessary to accelerate the process of introduction of technological innovations five- to ten-fold. Without such speed in the dissemination of innovations economic development will not be ensured. This means, however, that expenditures should be increased at the first stage. The author made an attempt to evaluate their amount. The results of calculations are presented in Table 6. In particular, it gives the amounts of capital investments in terms of sectors, which are necessary for the acceleration of innovative processes in the republic's key industrial sectors. The calculation was made on the basis of capital intensiveness of the growth of gross output in these sectors and, in an ideal case, the maximum possible mass acceleration of the introduction of new technologies in sectors. At the same time, we proceeded from the assumption that the speed of dissemination of innovations should be such that it would make it possible to attain a technical level of production meeting present requirements, on the average, during a 10-year period.

Table 6. Evaluation of Average Annual Dynamics of Growth of Capital Investment for Acceleration in Key Industrial Sectors (in Million Rubles)

Sectors	Average Annual Capital Intensive- ness of a Unit of Gross Output	Average Annual Capital Intensive- ness Corrected for Percent of Acceleration of Innovations	Average Annual Increase in Cap- ital Investments for Acceleration of Innovative Processes
Industry—total	1.8	2.4	15504.4*
			19065.5
Electric power engineering	4.7	6.5	6379.4
Petroleum gas industry	5.1	7.0	5703.3
Ferrous metallurgy	2.3	3.1	1954.2
Chemistry and petrochemistry	1.2	1.7	461.9
Machine building and metalworking	1.3	1.9	2929.2
Timber, woodworking, and pulp and paper industry	0.7	1.0	-
Building materials industry and china and earthenware industry	2.7	3.8	1137.9
Light industry	0.7	1.3	260.2
Food industry	1.0	1.2	239.4

*The numerator presents an evaluation of the increase in capital investments necessary for an acceleration of innovative processes in industry according to the average capital intensiveness of gross output throughout the industry. The denominator presents the sum of sectorial evaluations.

An analysis of the data in Table 6 shows that with all the conditionality of performed calculations and possible deviations in both directions, since the capital intensiveness of new technologies changes continuously, quite a difficult situation has been created. In the present structure of utilization of resources of the national income for accumulation resources needed for innovations are hardly available. When the data in Table 6 are compared with resources of the national income, which could be utilized as sources of pure accumulations for the purpose of accelerating the innovative process, it is obvious that this problem can be solved only in some sectors. This is very important strategically for economic policy. If we proceed from a macroanalysis, only one conclusion suggests itself: An investment attempt, which makes a breakthrough to advanced technologies, is possible only in sectors simultaneously representing their technological aggregates. According to data on capital intensiveness, sectors in which it is lower (see in detail Table 6) are predisposed to this. However, this is not enough and the final selection should be made after evaluations of the readiness of existing and prepared plans for new industries, which incorporate advanced technological solutions and, in addition, have personnel and resource potentials. In such a case the range of sectors for an extensive dissemination of innovations is narrowed. In our opinion, it includes primarily the republic's food industry and machine building sectors.

Apart from scientific and technical conditions and factors, the state of the environment is among the conditions and

factors playing a paramount role in the development of the Ukraine's economy in the next few years. Here the task has two directions: The first, to restore already destroyed ecological structures. For its accomplishment it is necessary to have a special multispect program and here it is important to carry out developments, first, by ecologists and, then, by economists. The second, to prevent damage by the industries that will develop. In most countries throughout the world this problem is solved through an increase in the capital intensiveness of new projects and the planning and realization of ecologically safe industries. For example, if we proceed from the experience of France, which we have analyzed, it turns out that in the next five years with these measures environmental protection will require two to three billion rubles annually. This corresponds to a more than fourfold increase in one-time expenditures evaluated without taking into consideration the restoration of already destroyed ecological structures.

The presented final data on the basic indicators of development of the Ukraine's economy, as well as the obtained evaluations of key conditions and factors in its long-term development, with a simultaneous assessment of a number of measures taken in the country to stabilize the economy have enabled us to work out several variants of the dynamics of basic indicators of the Ukraine's economy for the period until 1995. Table 7 presents the results of calculations of the gross national product and the national income in four variants.

Table 7. Multivariant Forecast of Rates of Growth of the Gross National Product and the National Income in the Ukrainian SSR for the Period Until 1995 (in Percent)

Years	Gross National Product				Produced National Income			
	I (base)	II	III	IV	I	II	III	IV
1990 (expected)	100	100	100	100	100	100	100	100
1991	3.6	-11.8	-3.9	-0.4	3.2	-11.9	-4.3	0.7
1992	3.8	-0.6	1.3	3.6	3.3	-0.8	1.0	3.5
1993-1995 average annual rates of increase	3.5	3.6	3.6	3.6	3.4	3.4	3.3	3.8
1995/1990 rates of growth	119.5	97.9	108.4	114.9	117.7	98.9	106.7	114.1
Average annual rate of increase (decrease) in 5 years	3.6	-0.4	1.6	2.8	3.3	-0.2	1.3	2.7

The first variant as the base one corresponds to a scenario of development, in which all the basic tendencies existing during the retrospective period remain for the entire long-term period. Such a variant is very unpromising, because according to calculations a decline in the rates of growth and an ongoing conservation of very ineffective material-physical and value structures of the gross national product are visible conclusively, since lower rates of growth of the national income, as compared with similar data on the gross national product, are observed, which signifies a further increase in material expenditures. This deprives the Ukraine's economy of accumulation resources for purposes of expanded reproduction. And although, according to final data, the first variant seems the most stable, in case of its implementation internal sources of development of the economy, as before, remain minimal and its structural reorganization is impossible.

The main task is to break the tendency toward an increase in material intensiveness in the next two to

three years. At the same time, it is unequivocally clear that the process of economic development can be initially shifted from the presently existing, primarily extensive, main line to a primarily intensive one only along the path of intensification of investment activity. This presupposes an increase in the proportion of accumulations in the national income, a reduction in non-productive expenditures (primarily military ones), and reforms in the management system, which will lead to conditions in the economic system, when the subject of production and economic activity will be interested in an increase in and a more efficient utilization of resources of the national income for purposes of production development and not in an unrestrained growth of wages, as is the case now. Since the latter aspect of the indicated problem is not the subject of this work, next we will examine only the changes in general economic proportions, which should be characteristic of the process of primarily intensive development of the republic's economy, through the prism of activation of intensive activity.

Table 8. Multivariant Forecast of the Structure of Distribution of the National Income for Accumulation-Consumption According to Variants of Its Growth for the 1991-1995 Period in Average Annual Terms

Variants	I—Without a Change in Expenditures of the National Income on the Liquidation of Debts Connected With Renovation, Ecology, and Acceleration of Innovations	II—With a Change in Expenditures on the Liquidation of Debts Connected With Renovation From Resources of the National Income	III—With a Change in Expenditures on the Liquidation of Debts Connected With Renovation and Ecology	IV—With a Change in Expenditures on the Liquidation of Debts Connected With Renovation, Ecology, and Acceleration of Innovations
I	20.80*	21.778.3	23.876.2	36.963.1
II	19.480.6	21.478.6	23.576.5	38.567.8
III	19.480.6	21.278.8	23.276.8	36.763.3
IV	19.480.6	21.178.9	23.077.0	35.864.2

*The accumulation norm is noted in the numerator and the consumption norm in the denominator respectively

Table 8, line I, presents the results of calculations of the necessary changes in the structure of distribution of resources of the national income for accumulation and consumption according to four variants. The first element (I.I) of the matrix recorded in Table 8 corresponds

to the base variant, the unpromising nature of which has been shown. All the three subsequent ones (I.II, I.III, I.IV) correspond to the realization of certain scenarios of stimulation of investment activity, when accumulation resources are systematically increased in columns II—for

purposes of changes in expenditures on the liquidation of debts connected with renovation, III—plus a change in expenditures on the preservation of the habitat, IV—plus for an acceleration of innovations respectively. As can be seen from the data in Table 8, as a result, the accumulation norm of the national income from 20 percent should increase by almost 17 percent points. We must view such evaluations soberly, because from the standpoint of the need for a balance of the value structure with corresponding changes in the material and physical structure such changes are, if not realistic, hard to carry out in practice. Although this is so, the conclusion is unequivocal: During 1991-1995 the process of active accumulation of the means of production will

have to be restored, because for several years the annual wear of capital in industry, construction, and transport—that is, key national-economic sectors—has exceeded their commissioning. This means that we are "eating away" our production potential, depriving ourselves of the future. In such a situation in the economy the Ukraine will never be among developed countries.

The tendency toward an increase in the accumulation norm in the utilized national income in its essence is not as terrible as it seems. An analysis of the dynamics of the accumulation norm for the past, almost 30-year, period shows that it has been at the level of 30 percent (see Table 9).

Table 9. Dynamics of the Accumulation Norm of the U.S.S.R. National Income in 1961-1990

Indicator	Years						
	1961	1965	1970	1975	1980	1985	1990 (preliminary)
X _{acc} accumulation norm, %	29.3	25.8	25.8	31.4	28.1	31.2	25

As can be seen from the data in the table, we have noticeably lowered the activity of the process of accumulation of the means of production only in the last 20 years. In fact, in the last 20 years economic growth in the republic has occurred primarily with the means of production traditional for the end of the 1960's and technologies corresponding to them. Now they have exhausted themselves and a new industrial revolution on the basis of a structural reorganization is needed. Otherwise, we stress again and again, we will be among the most lagging countries in the world.

In addition to the characterized base variant I of the forecast of the gross national product and the national

income for the period until 1995, which is presented in Table 5, three other variants are also listed in it. Each of them is constructed according to different scenarios of implementation of the policy of economic stabilization, in particular, through measures which can affect third of all industrial production. Variant II of the table was obtained on the basis of realization of the method of "shock therapy," which at first leads to a sharp drop in the production first of all of industrial products in such sectors as the fuel industry, metallurgy, machine building and metalworking, and food and light industries, which are most important for the Ukrainian economy (see in detail Table 10—variant II).

Table 10. Multivariant Forecast of Rates of Reduction in Gross Output of Individual Industrial Sectors for the 1991-1992 Period

Industrial Sectors	Percent of Reduction							
	variant I		variant II				variant III	
	1991	1992	1991	1992	1993	1994	1991	1992
Fuel	10	15	10	15	10	15	10	15
Metallurgy	10	15	10	15	10	15	10	15
Machine building and metalworking	10	15	10	15	10	15	10	15
Food and light	10	15	10	15	10	15	10	15
Other sectors	10	15	10	15	10	15	10	15
Chemical industry	10	15	10	15	10	15	10	15
Engineering	10	15	10	15	10	15	10	15

We received the information on a possible decline in the rates of growth of gross output in these sectors, studying the data on the economy of Poland, which follows the indicated path. We believe that this path is unacceptable to us, owing to a number of conditions existing in Poland, but absent in our economy. However, as an

extreme measure we nevertheless presented it in calculations. As we see from the data in Table 10, in five years the average annual rates of growth of the gross national product and the produced national income, on average, will be 1.5 percent. At the same time, in the Ukraine for 1995 there will be a situation in which the 1990 level will

not be attained, that is, the population's standard of living will be even lower than today and it will be extremely complicated to expect a socially stable situation, because even today the Ukraine's population does not have the level of economic protection and guarantees, which are and were at the beginning of reform in Poland.

Moreover, we present variants III and IV, which are worked out on the basis of the proposals on implementation of the stabilization policy now discussed in different formulations. In particular, variant III in Table 7 corresponds to an abrupt (according to the government's evaluation) entry into a market economy, in which a reduction of 10 to 15 percent in the gross national product is planned, and variant IV, which corresponds to a gradual transition to a market. We believe that governmental evaluations of the decline in production during an abrupt entry into a market are understated and therefore, variant III is unrealistic owing to the fact that, as Poland's experience shows, an abrupt entry into a market will lead to a big reduction in production volumes. Therefore, proceeding from our conditions, although the period of formation of a new economic structure will be longer, the necessary transformations must be carried out gradually. In our opinion, realistic steps have not been taken now and what was done during 1986-1990 in many respects does not correspond to measures of economic stabilization on the path to a market.

As can be seen from the data in Table 7 (variant 4) and Table 8 (element IV-IV), a certain decline in the rates of growth of the national income during the entire examined period (1991-1995) should be expected. At the same time, however, an elastic change in the structure of distribution of the national income for accumulation, consumption and preservation of its production level will be most probable. It should be stated that a possible increase in the accumulation norm, which was discussed, will correspond to the level of advanced countries throughout the world, which during the period of a mass technological restructuring of the economic basis had an accumulation norm at such a level.

The performed forecast calculations should not be viewed as an assertion that one of them will surely be realized. They provide information on what is and is not desirable in the strategy of development of the Ukraine's economy at the macrolevel and what should be the policy in the development of regulators, which will direct the course of development in the next five years. Furthermore, we especially draw attention to the fact that the transition to a new form of accumulation with a simultaneous acceleration of innovative activities in the republic, as well as the already presented prerequisites, can initiate the creation of a totally new economic basis, with which we have not yet dealt on a mass scale. Owing to this, a change in manpower skills will also be necessary. Under such conditions the beginning of manifestation of the cumulative effect, which will be reflected in

the rates of growth of the republic's economy, is possible by 1995. Today there are no data for an evaluation of this process.

Furthermore, we believe that the load on the economy in the form of an increasing share of accumulations, which leads to a rise in their scale and technical level, can be diminished if the process of disarmament occurs quite rapidly and we see to it that state expenditures on defense begin to be reduced. Under these conditions the picture of development of the Ukraine's economy can be totally different. At the same time, now it is not yet possible to make these evaluations unequivocally, because the necessary, sufficiently full, economic information on the military-industrial complex existing in the Ukraine is not yet available. The availability of this kind of information in the future will also help to correct both our forecasts and our recommendations to a significant degree.

Moreover, the elaboration and assimilation of this kind of information are very complex, because the determination of the level of sufficiency of expenditures on defense should be based on geostrategic evaluations of the future state of the entire world, or at least of the European continent, where the Ukraine's economy will also develop. Unfortunately, as far as the author knows, such research is not available in the Ukraine today and will have to be carried out.

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Social Democrats' Aims, Tactics Given

9/11 N18664 Kiev MOLOD UKRAYIN, in Ukrainian, 188 May 91 p.1.

[Interview with M. Pavlenko, a journalist and press representative of the Social Democratic Party of the Ukraine, by A. Miroshnichenko under the rubric "Who Is Who? "Street Democracy" Again?"]

[Text] The political spectrum of our life is becoming increasingly enriched. Now the Ukrainian Social Democratic Party (SDPU) has declared itself. Maksym Pavlenko, journalist and press representative of the SDPU, talks about it.

[Pavlenko] The main goal of the party is the socio-economic renewal of the Ukraine. Our republic, in the opinion of the experts, almost equals France in economic potential. But how are we to use that potential? The Social Democrats support free enterprise and are in favor of full privatization despite the various "isms."

[Miroshnychenko] But the name of your party calls up certain parallels.

[Pavlenko] We are genuinely continuing the traditions of social democracy at the beginning of the century, but it is the Ukrainian social democracy to which Vynnychenko, Lesya Ukrayinka, and for a certain time Petliura belonged. In reality the Bolsheviks have nothing in common with the ideas of social democracy. If I am to generalize, it is the right modernist wing of world social democracy.

[Miroshnychenko] You often make use of such activities as rallies.

[Pavlenko] In order to point out to the public the crisis the economy of the Ukraine is in. Lately the entrepreneurial environment, despite itself, has become politicized. The tax policy of Pavlov proves that he is not an economist but rather a financier. Entrepreneurs are in fact faced with a difficult dilemma: either curtail production or sell their basic funds. We are being ruined. A month ago members of cooperatives appealed directly to I. M. Kravchuk by letter: they asked him to cancel Pavlov's latest tax rulings. So far there has been no result. The only thing that can save the republic is private property and the development of small businesses. The experience of China and of the Western countries convinces one of that.

[Miroshnychenko] Do you believe that such actions as rallies and strikes are effective?

[Pavlenko] Strikes—no. But rallies present the opportunity to focus the attention of the Supreme Soviet and the public at large on a certain problem.

[Miroshnychenko] Does your party have many young people?

[Pavlenko] Quite a few. Viktor Vovk, the political editor and a candidate of physical science, is about 30 years old and Andriy Nosenko, the chairman of the board and an engineer, just turned 30.

[Miroshnychenko] In your opinion, can the student movement contribute to the economic progress of the republic?

[Pavlenko] The students have a real chance of becoming the poorest sector of society after the establishment of market relations. According to rough calculations, only one fourth of today's students will be able to become qualified specialists. It will be difficult for the rest. Certainly the best solution to the problem is the "purchase" of graduating students by enterprises.

[Miroshnychenko] Would you yourself, at 29 years of age, risk starting your own business?

[Pavlenko] Why not? The director of the Kiev branch of the Dutch enterprise Peva [as transliterated] is not yet 28.

Russian TV Still Not Allowed in Ukraine

91UN1866B Kiev MOLOD UKRAYINY in Ukrainian 24 May 91 p 1

[Article by B. Nartovskyy, chief of the editorial board of the Zdorovya publishing house, under the rubric "Opinion": "Let Us Jam 'Radio Russia' As Well"]

[Text] With interest I followed the discussion of people's deputies with M. F. Okhmakevych, leader of our State Committee for Television and Radio Broadcasting, concerning the advisability of broadcasting the programs of Russian Television in the Ukraine, that subject is very timely for me, as it is for millions of television watchers. It is as though the members of the parliament have guessed our desire to look at Russia. But it would be surprising if our bureaucrats, nourished on various prohibitions and censorship, were to so easily permit people to watch anything more heterodox and refreshing than the "presidential channel." This time, it is true, at least they concocted a decent reason—the revival of our own national television. The only thing I do not know is whether it is proper to speculate on such holy things.

For decades they have been broadcasting two Russian language channels to us, and no one other than a few creative intellectuals was especially worried about the one and only feeble-minded Ukrainian channel. But all it took was for the Russian Television and Radio Company to separate itself out and shake up the monopoly on information belonging to those forces which have long been accustomed to leading everything and everyone: this, as it turned out, gave us an excellent opportunity to revive our own television. On two channels set. Come to your senses, we do not have the skilled personnel to operate even one in a civilized fashion. Incidentally, in some oblasts of Russia itself, they have also begun to actively "revive" local television at the expense of Russian television. In which oblasts? I have no doubt that it is in those oblasts where they boycotted the Russian referendum and are threatening to do the same at the presidential elections.

Thus, the situation is clear.

Even under these conditions M. F. Okhmakevych tried to respond to the questions of the deputies properly and, at times, wittily. But I do not think that he himself wants the Ukraine to become the most presidential apocrysm province, nor does he understand how important it is for us today to see on our screens a Russia which is decisively travelling the path of reform. It is important for everyone. For the renewal of the Ukraine. And for the true renewal of Ukrainian Television.

But for the time being. For the time being a paradoxical situation exists. They have stopped suppressing Voice of America, Freedom, the BBC, and Voice of Israel. They have permitted the erection of satellite antennas, which gives one the opportunity to receive television signals from practically the entire world. Moreover, lately television viewers in Kiev are able to watch an international

program in English on their own television screens. But Russian-language programs or those from the capital city of Moscow—they are forbidden. Actually, not entirely forbidden. You can watch I. Kravchenko's presidential channel to your heart's content, but not Mitkov and Gurnov, whom that same Kravchenko prohibited on Central Television. Not even for a few hours per day. Because of national interests, you see.

Because of such simple logic they may be jamming Radio Russia soon as well.

Say what you will, but surprising times have arrived.

Government-Trade Union Agreement

#14102441 Kiev PR11 D1 UKRAINE in Russian
14 May 91 p. 2

[Agreement Between the Ukrainian Government and the Council of the Federation of Independent Trade Unions in the Ukraine for 1991.]

[Text] The Cabinet of Ministers of the Ukrainian SSR and the Council of the Federation of Independent Trade Unions in the Ukraine, based upon the need for constructive collaboration in solving the economic and social problems associated with the conversion over to a market economy and in the interest of standardizing the operation of the national economy, lowering social tension in society and strengthening social protection for workers, concluded the present agreement and reached an understanding to concentrate their collaboration along the following lines:

I. Guarantees for the social protection of the population.

1. The Cabinet of Ministers of the Ukrainian SSR, with the participation of the Council of the Federation of Independent Trade Unions in the Ukraine:

- is developing and will present to the Supreme Soviet of the Ukrainian SSR a draft law of the Ukrainian SSR entitled "Minimal Consumer Budget" and proposals for the legislative approval of the same amount for the minimal consumer budget for 1991—in June 1991; and for 1992—in December of 1991.

- is developing and will introduce into the Supreme Soviet of the Ukrainian SSR

draft legislative initiatives for ensuring the indexing of population income—in May 1991.

proposals for reviewing the minimal salary and pension amounts in conformity with the minimal consumer budget—during the 4th quarter of 1991.

2. The Cabinet of Ministers of the Ukrainian SSR, commencing 1 May of this year, will abolish the 100-percent sales tax on the following goods for which there is stable demand: meat and meat products, milk and dairy products, eggs and egg products, flour, grains, fish, poultry, and margarine products, macaroni products, tea,

bread and baked goods, confectionery products, potatoes, vegetables, fruit, berries, knitted goods, socks, stockings, detergents, laundry and toilet soap, metal dishware and metal household utensils (according to a list of the Ministry of Trade for the Ukrainian SSR, coordinated with the Ministry of Finance of the Ukrainian SSR), housing and communal services.

- ensure constant analysis of the price index and inflation scales and inform the population on the results of such analysis.

- in June 1991, review the true price situation and hand down decisions on those questions causing the greatest degree of social tension. In carrying out the price formation policies, the position taken by the Council of the Federation of Independent Trade Unions of the Ukraine will be taken into account.

- implement measures aimed at providing the population with goods for which there is a high demand in conformity with the living wage and, when necessary, introduce a system for the guaranteed distribution of such goods.

- hand down a decision calling for maintaining those transport benefits for pupils and students which existed prior to 2 April 1991 and for reviewing the allotment amounts in conformity with the minimal consumer budget and develop measures for strengthening the social protection for poorly provided for single pensioners.

- review the proposal of the Council of the Federation of Independent Trade Unions of the Ukraine concerning additional appropriations for acquiring passes for improving the health of orphans and children left without parental support and also those whose parents work in budgetary institutions.

II. Guarantees in the Area of Wages

1. The Cabinet of Ministers of the Ukrainian SSR, with the participation of the Council of the Federation of Independent Trade Unions in the Ukraine:

- will prepare, not later than the 4th quarter of this year, proposals for reforming wages for the conditions imposed by a market economy. This will call for the presentation to all enterprises of broad responsibility in wage matters, the establishment of wage guarantees for a minimum salary level and, with the aid of tariffs and bonuses, it will stimulate a sharp increase in the production volumes and participation in consumer goods.

Negotiations for concluding branch tariff agreements for 1991 will commence in June 1991.

- is developing during the 1st quarter of this year, in conformity with Article 3rd of the Code of Laws of the Ukrainian SSR on Labor, a statute on the contract bonus for the hired workers.

2. In 1991, the Cabinet of Ministers of the Ukrainian SSR will ensure an increase in the salaries for workers in public health, social security, education, culture and archives institutions, up to the wage level for workers in production branches and it will also review proposals by the Council of the Federation of Independent Trade Unions of the Ukraine on allocating funds to the trade union budget for a similar increase in salaries, including compensation payments in connection with the reform in retail prices to workers attached to cultural-educational, extra-curricular, physical culture and sports and sanitary institutions, who are subordinate to the republic's trade unions.

III. Benefits in Taxation and Payments

In 1991, the Cabinet of Ministers of the Ukrainian SSR, jointly with the Council of the Federation of Independent Trade Unions of the Ukraine, will introduce the following proposals in the Supreme Soviet of the Ukrainian SSR:

- on presenting additional benefits in the taxing of profits to cultural-educational, extra-curricular, physical culture and sport, sanatorium-resort and health improvement institutions of trade unions.
- on continuing the right of free use of land for cultural-educational, extra-curricular, physical culture and sport, and sanatorium-resort institutions of trade unions.
- on economic stimulation of the expenses of enterprises and organizations that are associated with satisfying the socio-cultural requirements of the population (construction and maintenance of the facilities of cultural, sports, sanatorium-resort, tourist and health improvement institutions).

IV. Ensuring Employment for the Population

1. The Cabinet of Ministers of the Ukrainian SSR, with the participation of the Council of the Federation of Independent Trade Unions of the Ukraine:

- is developing a republic employment program for 1991-1992 in the interest of assisting population employment and providing social protection for those who are temporarily unemployed.
- will promote the creation, during the 1st 6 months of this year, of a state fund for assisting employment at the republic and local levels.

2. The Cabinet of Ministers of the Ukrainian SSR:

- will assist in organizing the work of the state employment office and in developing its material, financial and information base.
- is developing measures for economically stimulating the retention and creation of the number of jobs, including those for citizens having limited work capabilities.

—will ensure, not less than twice annually, an all-round study of the labor market, the results of which will make it possible to undertake additional measures aimed at raising the demand for manpower and introducing, as the need dictates, proposals in the Supreme Soviet of the Ukrainian SSR calling for legislative changes.

- will establish a system, according to which the elimination, reorganization and reshaping of enterprises, institutions and organizations will be carried out simultaneously with the development of job placement programs for unemployed workers, with advance notification being given to the appropriate trade union organs within a period of three months.

V. Protecting Labor and the Environment

The Cabinet of Ministers of the Ukrainian SSR, with the participation of the Council of the Federation of Independent Trade Unions of the Ukraine:

- will introduce, in 1991, for review by the Supreme Soviet of the Ukrainian SSR, a draft law entitled "Labor Protection in the USSR".
- commencing in 1991, will introduce state statistical accountability on the status of conditions, work safety and daily routine in production operations.
- plans call for the development, at all enterprises of the national economy, of the republic's program entitled "State Policy for Improving the Status of Women, the Family and Protecting Maternity and Childhood" in the special section entitled "Improving the Working Conditions of Women".
- the release of women from heavy physical work not later than 1991.
- the gradual withdrawal of women from nighttime shifts at enterprises and organizations the production operations of which are not associated with the population's survival.
- the proper operation, in conformity with the sanitary-hygienic requirements, of harmful production operations in which women are engaged.
- the organization of special jobs, sectors and departments for the job placement of pregnant women in conformity with the recommendations of the medical organs.
- the creation of proper production conditions for female workers.
- will hand down decisions on the location and construction of production installations on the republic's territory, the operations of which adversely affect the environment, only following state ecological examination of the appropriate pre-planning and planning documents.

- during the first six months of this year, it will examine the status of affairs with regard to the availability of raw materials and other materials to enterprises engaged in the production of protective clothing and other means for the individual protection of workers and will undertake measures aimed at satisfying the republic's requirements for machines to be used for the dry cleaning of protective clothing.
- during the second half of 1991, it will examine the situation existing at enterprises of the republic's construction materials industry and undertake measures directed towards the development and production of modern equipment, rigging and mechanized means used in the production of brick and other wall materials, in the interest of eliminating laborious and harmful work in this branch

VI. Availability of Housing

1. In 1991, the Cabinet of Ministers of the Ukrainian SSR, together with the Council of the Federation of Independent Trade Unions in the Ukraine, will prepare proposals for introducing changes to existing housing legislation, with provision being made for a system of state guarantees for housing under market economy conditions and particularly for Afghan-warriors, invalids, war and labor veterans, the families of dead military personnel and also for low income citizens

2. The Cabinet of Ministers of the Ukrainian SSR, with the participation of the Council of Federation of Independent Trade Unions in the Ukraine, will examine the question of privatization of housing

3. The Cabinet of Ministers of the Ukrainian SSR will ensure improvements in the conditions for private construction of housing, the use by labor collectives of their own resources for housing and cultural-domestic construction, while ensuring that they are supplied with the needed materials, machines and mechanisms. It will furnish assistance to private builders in obtaining credits and in their being assigned tracts of land in cities, settlements of the municipal type and rural populated points

VII. Public Health and Social Insurance

1. The Cabinet of Ministers of the Ukrainian SSR, together with the Council of the Federation of Independent Trade Unions in the Ukraine

- is developing and will introduce in the Supreme Soviet of the Ukrainian SSR the draft law of the Ukrainian SSR entitled "Public Health".
- will increase control over the content in water, soil and agricultural products of pesticides, herbicides, mineral fertilizers, toxic chemicals and other preparations used in the national economy and which adversely affect man's health

2. The Cabinet of Ministers of the Ukrainian SSR

—in 1991, will increase expenditures for the development of public health by 400 million rubles and will undertake measures aimed at maintaining mainly free medical services for the population.

—will implement additional measures for preventing consumers from receiving infected, chemically contaminated food products and low quality drinking water.

—will furnish assistance in supplying meat products to sanatoriums, in accordance with the list maintained by the Council of the Federation of Independent Trade Unions of the Ukraine.

—is developing measures for the protection and efficient use of the natural and curative factors found at resorts throughout the republic, for preventing their contamination and exhaustion and particularly at resorts in Yalta, Yevpatoria, Sak, Odessa, Mariupol, Ochakov, Berdyansk, Skadovsk, Slavyansk and in the Carpathian zone.

—taking into account the recommendations of the Council of the Federation of Independent Trade Unions in the Ukraine, it will examine the decisions of the union organs and the questions concerned with reimbursing the social insurance fund of the Ukrainian SSR, particularly for the payment of benefits for temporary disablement, pregnancy and births, food for children in health camps and compensation for expenditures associated with raised prices for passes to the sanatorium-resort facilities of trade unions

VIII. Eliminating the Consequences of the Accident at the Chernobyl AES [nuclear electric power station]

1. The Cabinet of Ministers of the Ukrainian SSR, together with the Council of the Federation of Independent Trade Unions in the Ukraine, will ensure

—the carrying out of the laws adopted by the Supreme Soviet of the Ukrainian SSR "On the Legal Regime for a Territory Subjected to Radioactive Contamination as a Result of the Chernobyl Catastrophe" and "On the Status of and Social Protection for Citizens Victimized by the Chernobyl Catastrophe"

—the implementation of radiation control over the environment and food products and measures aimed at lowering the content of radio-nuclides in the air, water, soil and agricultural products and also dosages from technogenic sources, including medicinal

2. The Cabinet of Ministers of the Ukrainian SSR will undertake measures aimed at fully supplying workers who reside in zones affected by the accident at the Chernobyl AES with protective clothing, equipment for washing and dry cleaning it, machines and transport vehicles with hermetically sealed cabins and air conditioners for transporting people, decontamination stations, sanitary-domestic facilities, instruments for individual and group radiation control, with all of the equipment and instruments being procured at state

expense. Medical-preventive food products will be made available for all workers in the regions contaminated by radiation.

Decisions were handed down on:

- the construction of young pioneer camps, health improvement institutions for persons victimized by the Chernobyl catastrophe, with these institutions being supplied with logistical resources on a priority basis
- raising the monetary norms for food in health improvement institutions engaged in providing treatment and rest for victims of the accident at the Chernobyl AES, regardless of their departmental subordination,
- presenting additional economic and legal guarantees and privileges to enterprises, institutions and organizations, including foreign countries, engaged in carrying out the orders and various types of work concerned with eliminating the consequences of the accident at the Chernobyl AES or which operate in the zone of radioactive contamination,
- ensuring the carrying out of the urgent measures aimed at eliminating the consequences of the accident at the Chernobyl AES during the 1990-1992 period, as set forth in the union-republic program

IX. The Creation of Social Guarantees for Protecting the Spiritual Interests of Workers and Satisfying Their Cultural Requirements

The Cabinet of Ministers of the Ukrainian SSR, together with the Council of the Federation of Independent Trade Unions in the Ukraine:

- is developing and will introduce in the Supreme Soviet of the Ukrainian SSR draft laws on the questions of culture, physical culture and sport
- will introduce beneficial and free visits to cultural and sport institutions for pupils, students, military personnel, pensioners, invalids and other poorly provided for layers of the population and will examine the question of the possibility of budgetary financing for the cultural-educational and physical culture and sport institutions of trade unions that are experiencing difficult financial conditions

The present agreement calls for state social guarantees for citizens and places no restriction on the presentation of additional privileges, using the resources of the enterprises and organizations, as stipulated for in collective contracts and agreements, at the oblast and branch levels of the national economy.

The Cabinet of Ministers of the Ukrainian SSR accepts responsibility for ensuring minimal state guarantees relative to the population's standard of living and the creation of conditions for realizing the right of citizens to work.

The Council of the Federation of Independent Trade Unions in the Ukraine will assist the Cabinet of Ministers of the Ukrainian SSR and other administrative organs in carrying out the present agreement and in consolidating the efforts of trade union organizations in providing labor and social guarantees for the republic's population, by means of collective contracts with the owners of enterprises, organizations and institutions and resolving group labor conflicts in conformity with existing legislation.

During the period that the agreement is in force, the parties involved, by general agreement, may introduce changes and amendments that do not interfere with the carrying out of obligations already undertaken.

For the purpose of controlling fulfillment of the present agreement and resolving all questions which may arise during the course of its implementation, the Cabinet of Ministers of the Ukrainian SSR and the Council of the Federation of Independent Trade Unions in the Ukraine will form a committee headed by two co-chairmen—at the level of vice prime minister of the Ukrainian SSR and secretary to the Council of the Federation of Independent Trade Unions in the Ukraine.

The results and course of fulfillment of the agreement are being publicized in the newspapers *URYADOVYI KURYER* and *PROFCHILKOVOYU GAZETUYU* and other mass media organs.

The present agreement will enter into force on the day that it is signed by the interested parties and remain in force throughout 1991.

The agreement was signed by the parties involved on 30 April 1991.

[signed] *V. Fokin, Prime Minister of the Ukrainian SSR*

I. Kovalovskiy, chairman of the Council of the Federation of Independent Trade Unions in the Ukraine

Hurenko on Electorate's Economic Concerns

91 UNIS794 Kiev PR 13 D4 UKRAINE in Russian
11 No. 91 p. 1

[Report on 7-8 June meeting in Zaporozhye Oblast of S. I. Hurenko, first secretary of the Ukrainian CP Central Committee USSR and Ukrainian SSR people's deputy, with his constituents, by Aleksandr Panchenko "Soviet-Ukraine Needs Strong Economy and Competitive Products"]

[Text] On 7 and 8 June, Stanislav Ivanovich Hurenko visited Zaporozhye Oblast. He met with his constituents in the Motorostroitel industrial complex, and in the Petromikhailovskiy sovkhos; he was also present at the opening of the all-Ukraine folk talent festival Khortitsa, dedicated to the celebration of the 500 year anniversary of Zaporozhye Cossacks.

S.I. Hurenko and First Secretary of Zaporozhye Party Obkom [oblast committee] V.I. Malev arrived at the Motorostroiil industrial complex straight from the airport. This was not a regularly scheduled report to the constituents. The motor builders collective asked their deputy for this meeting in order to discuss with their representative in the supreme organ of power a number of issues of principal importance.

The point is that as a result of the policy conducted by the center the largest producer in the country of aviation engines found itself in a difficult economic situation. There is the danger that social programs will remain unfulfilled, and there is no money to pay compensation to the workers.

"Prices on raw materials, energy, and component parts have been raised or moved into a contract category. At the same time, the price on our product remained the same," says V.A. Boguslayev, complex's general director. "I do not understand how one can produce cheap engines from expensive parts."

In addition to this, in the beginning of the year the collective was notified that military orders would be reduced, with no time left to regroup the resources, look for new customers, or settle disputed issues with parts suppliers. The April retail price increase has brought the main plant to the verge of a strike. However, the complex's workers, managers, and communists found enough wisdom and self-restraint to not aggravate an already tense situation by a strike. They decided to continue work and at the same time try to get their problems resolved. The fate of this complex is a mirror reflection of all the difficulties our defense industry is facing.

The discussion of issues related to production, conversion, and social protection started in the assembly shop, where S.I. Hurenko was shown Zaporozhye motor builders' products—extra-powerful engines for Ruslan and Mpiya, and a promising D-436 motor that had been exhibited at the Paris Air Show and brought out interest on the part of specialists from the world's leading aviation manufacturers.

The conversation continued in a conference hall where plant workers gathered after the shift, together with representatives of workers collectives of largest enterprises in Zaporozhye Shevchenkivskiy Rayon. In the opening remarks Yu.A. Shirokonos, secretary of the Motorostroiil industrial complex's party organization, expressed concern and anxiety in regard to a continuing decline in the workers' standard of living, and asked S.I. Hurenko to inform the meeting participants of the position and actions of the Ukrainian CP Central Committee in the current situation.

In his presentation, the first secretary of the Central Committee appraised the economic and political situation in the country and the republic, and answered numerous questions from the workers.

Speaking about denationalization, S.I. Hurenko emphasized that Ukrainian Communists see the solution in transferring such giants as Motorostroiil into the collective property of a workers collective rather than privatizing them. This process should be started by giving the workers the right to dispose of the fruits of their labor.

"The industrial complex is, in fact, in a difficult situation now because of unfair price policy. It is not normal for such a complex aviation engine to cost less than a truck. We have decided that the plant leadership will prepare the figures and calculations, and then I, as a deputy, will bring up these issues at the USSR Supreme Soviet and the Pavlov cabinet," said Stanislav Ivanovich in his conversation with journalists. "I think, however, that as all enterprises in the Ukraine get transferred into the republic jurisdiction, we will be able to resolve many problems locally. We are building a sovereign state. One of its prerogatives is the pricing policy. In my opinion, the republic government can already give the motor builders the right to set prices for their civilian production on the basis of minimal or average profitability."

"I also want to emphasize this point," continued S.I. Hurenko. "Despite the difficult situation, people here in Zaporozhye do not sit idle. The industrial complex's leadership, headed by V.A. Boguslavskiy [as published], is acting farsightedly in that they develop the production of consumer goods. The motor builders have already joined a number of associations involved in production of consumer goods. Now they are discussing a possibility of producing engines for rural machinery jointly with the Yuzhdiselmach industrial complex. This is a true statesmanlike approach to business. This will always find help and support on the part of the Ukrainian CP Central Committee. Sovereign Ukraine needs strong economy and competitive products. Both can only be created by dogged efforts, counting mostly on own resources."

A considerable number of S.I. Hurenko's constituents are rural residents. Therefore, early Saturday morning he went to Volynskiy Rayon. It was a short meeting. Then right here, in the field, without special ceremonies, he got engaged in a detailed conversation with the leadership of the rayon and of Petromikhaslovskiy sovkhoz—about the situation in rural areas and what practical steps need to be taken to make the Law on Priority Development of the Agrarian Sector work in full force.

The sovkhoz regularly has high-yield harvests and meticulously fulfills its obligations to the state. Gas lines to workers houses have been laid, a running water system is under construction, and a service sphere is being developed. Nevertheless, the sovkhoz's economic situation is far from stable. Sovkhoz Director A.V. Chayshov brought to the people's deputy's attention the fact that the current pricing policy and nonequivalent exchange between urban and rural areas threaten to make the sovkhoz bankrupt as early as this year.

It seems that both urban and rural residents have the same problems. This is despite the fact that neither sit idle or strike; nevertheless, their situation is getting increasingly worse. Even having money in the bank is no longer a guarantee of well-being and fulfillment of social programs. There are no goods. Where would rural residents get piping, gas apparatuses, and construction materials? So far, they have no choice but to ask their deputy for help. S.I. Hurenko put a lot of effort into designing and constructing the water system, as well as the gasification of the rayon, become a reality. This time, too, A.I. Kasyanova, chairman of Petromikhaivskiy rural settlement soviet, delivered to S.I. Hurenko a letter with a plea to provide concrete assistance in ensuring that rural areas will get needed construction materials.

Along with strictly local problems, processes that are taking place in the country and in the republic are also a matter of concern to rural workers. This was reflected in the questions asked of the first secretary of the Central Committee during the meeting.

Mechanic M.L. Dmukhaslo is anxious to know how denationalization and privatization will be implemented in rural areas. Will a market lead to the disintegration of kolkhozes and sovkhozes? Teacher I.N. Ryzhiv was interested in the prospects for the Ukraine to work in cooperation with developed countries of the West. Sovkhoz lawyer O.A. Tayanchin asked a question about equitable starting conditions for all people during a transition to a market. The meeting participants not only asked questions, they also expressed their opinion and their understanding of the problems. Rural workers concern for the future of collective farms and the land they work came clearly through at this meeting.

Speaking on the Ukrainian CP Central Committee agrarian policy, S.I. Hurenko emphasized that, while supporting a variety of economic forms in agriculture, the Communists are against private property on land with a right to sell it.

"We give preference to collective forms of ownership and are against an all-out, ill-conceived privatization. Transferring large industrial and rural enterprises into private hands is not a solution. Today, we need to free the peasant from an excessive, foolish pressure on the part of the state, to make him a real owner of the fruits of his labor, and to get him interested in increasing production," said S.I. Hurenko. "Of course, a man should have an opportunity to take land as a lifetime inheritable possession. For the farmer to work effectively, however, he needs appropriate machinery, technical service, supply, and knowledge. Also needed is control on the part of the public over how the land is used. This practice is common in many developed countries.

The conversation with workers and sovkhoz specialists was useful for both sides. The meeting participants put to S.I. Hurenko a number of questions related to pensions for rural workers. The deputy promised to pass

these questions to the Supreme Soviet commission that is working on the pension legislation.

Defense Conversion Conference Held

91UN1879B Kiev KOMSOMOLSKOYE ZNAMYA
in Russian 11 Jun 91 p 3

[Article by I. Pogorelova under the rubric "Of Topical Interest": "Conversion, or on the Taste of Shark Meat"]

[Text] "Those who call Western industrialists 'sharks of capitalism' should remember that statistically people eat many more sharks than sharks eat people. By the way, shark meat is considered tasty and nutritious." This was a joke told by Nicholas Jaquer, representative of the UN Center for Transnational Corporations, at the conference on free economic zones in Kiev.

The same day was the final day of a joint session of the USSR and EEC commissions, which discussed the possibility of speeding up the lifting of quantitative restrictions on the trade with the Soviet Union, Western technical help for some areas of development of the Soviet industry, and credits for purchases of agricultural products.

Then, two days later, a first international conference "Conversion-91" took place in Kiev; among its participants were directors of largest military-industrial complex enterprises located in the Ukraine, and guests from the United States, Great Britain, and Canada—formerly prominent industrialists and currently theoreticians in the area of conversion. The scientific coordinator of the conference was Harvard University Professor William Hogan, one of the authors of the program of economic reform in the Ukraine.

By the end of the third day of the conference, the Americans had a hard time keeping their traditional "smile" on. They got tired. It is not that their fantastic ability to work hard had run into a stone wall—it simply sort of got stuck in the strange atmosphere of, on one hand, heightened attentiveness, and on the other, a seemingly slow motion reaction of the conference's Soviet participants.

The defense industry captains—whose personae had been highly classified until recently and who appeared for the first time all together (although not all invitees showed up) at such a public gathering—seemed to be mostly prepared to disrupt the perfidious plans of Western "spies." Although their presentations contained quite a lot of information—well known in the West but almost unknown to their compatriots—on the products produced by their enterprises, the structure of production, financial relations, and labor resources, they all seemed to be struggling to keep some kind of a secret. Quite possibly, it was a true commercial secret, on which their future success on the domestic and international markets could be based. An outside observer, not very well versed in specific VPK [military-industrial complex] problems, could have developed this impression, though, here is a very human but deeply hidden dream of

a truly talented manager to be not a hired administrator, but a full owner of huge industrial complexes, large creative teams, high technology, and high quality goods. However, apparently far from certain that a real market can be created in our collapsing economy, far from being convinced in the permanence of the "defensive sufficiency" principle in our leaders' policies, and tormented by the war of laws and by the uncertainty in regard to tomorrow's jurisdiction and, accordingly, their future financing sources—these people did their best not to make their dream obvious.

They did their best—but still, they betrayed themselves by following the lead of "perfidious" Western teachers, who got them involved in a business game where each director played the role of exactly this kind of independent industrialist. First, of course, it was the teachers turn to sweat while they were explaining to the players elementary rules of market competition. Neither was it accidental that for some reason the game itself, despite its foreign origins, time and again turned out to be very realistic in Soviet terms: the "government" (which, by the way, was played only by foreigners) would not fulfill its obligations; or "buyers" on the market would line up to the "producer," although it should be the other way around. Still, even such an imitation lit up with a completely different—venturesome, young, cheerful—light the faces of our directors, who only yesterday looked concentrated, tense, and tired. By the way, perhaps it was this psychological reconnaissance, which showed that even the people who are far removed from the real market, who are simply state hirelings, can still get their bearings quickly and become worthy competitors, despite objective difficulties—perhaps, this also reduced the degree of smile of our nice colleagues from the West.

Anyway, for now the real cooperation of the parties did not go beyond the game. The entire course of other sessions at the conference only highlighted more vividly the depth of the abyss that divides even the problems faced by the VPK's of former political and strategic opponents. Only those who arm themselves do it in a similar way; those who disarm do it each in their own way.

It does not matter how much wonderful, wise, practical advice we get from people who themselves implemented conversion after World War II, in the 1960's, such as K. Abt and F. Lindsay; it does not matter how many times former politicians—Sh. Williams and M. Brown—repeat that a peaceful road of development for the humanity is irreversible, and for that we need to create a certain common world architecture on the basis of the market and mutual political openness and predictability, or how unbeatable was the iron logic of scientists V. Hogan and D. Twigg—our internal problems remain stronger than that.

It is not over—the harsh political struggle between those who guarantee the VPK a problem-free and trouble-free (in our sense, of course) existence forever, and those who

want to finally open these "strategic reserves," created over decades, in order to meet the current needs of the people.

It is good to know that the conference organizers—the Supreme Soviet of the Ukraine, the commissions on economic reform, basic industries, and others, and the Cabinet of Ministers represented by V.I. Antonov—are on the side of the latter. In the situation where social tension becomes more dangerous than a military threat, the VPK not only has an obligation, it has an objective interest in the diversification (changing the product line), commercialization, and—albeit not any time soon—privatization and demonopolization. Having in front of them a practically boundless and bottomless domestic market, enterprises specifically risk going bankrupt if they return to the old track. To go bankrupt themselves and to bankrupt our entire economy, because state subsidies for them will lead to a hyperinflation.

I must confess that the position of most directors in this respect was of a wait-and-see kind. First figure it out with the center as to who will finance us (the center would be better), and if it is the Ukraine, then create an appropriate legal base. In short, do not teach us how to live—rather, give us material help. The same, by the way, goes to our foreign friends—they are quick with advice, but what about money. Of course they have an interest in us creating a market here, or, even more importantly, infrastructure (this is exactly what our technologies are good for). Then they will overwhelm our citizens with their goods (as happened with computers), which will bring all of our industry branches to an end.

Of course, nobody delivered this monologue, but the meaning of many presentations was precisely this. Can we really blame these soberly thinking directors who already have insulting nicknames—such as "dinosaurs"—tacked on them? "We are not 'dinosaurs,'" said Ya.L. Avgustinov, general director of a microelectronic scientific-industrial complex and chairman of the Ukraine Association, after the conference. "We are hired employees, on whose shoulders are huge workers collectives doomed to unemployment, and behind whose backs are the production of up to 70 percent of goods that are today shamelessly taken abroad and sold for peanuts."

Yes, our "dinosaurs" do not brag about the taste and nutritiousness of their meat, and they are absolutely right. And no "snark" can accuse them of being attached to the center as a source of financing and the subject of good management. It is the government of the republic that has to make it a priority to change its thinking, to create a literate conversion program and a truly clearly defined legal basis to get the "dinosaurs" interested.

Alas, it is the same Ukrainian Government that still does not dare to say its competent—not a declarative one as it did at the conference—word. A jurisdiction over the republic's industry has become a reality, but it is still far from being a property right.

All the while unpredictability persists, and this is what Western partners are afraid of most. That is why Shirley Williams, formerly a minister in the British Government, was so firm in her assertion that realistic steps on the part of the West are only possible after constitutional changes are made in our legislation. And although she, while trying to avoid in her statements an appearance of interfering into domestic affairs, still mentioned that she was not certain whether it was correct to call this big country a Soviet Union today, she was not giving any advice to our politicians. Except for one simple and universally known recommendation—one should not waste time on the road to a market. Conversion is that space and time of a market being born.

At one point during the game Soviet participants came up with a question: "If the government does not fulfill undertaken obligations, what can and should an entrepreneur do?" The answer was: "Complain to the press."

Our letters to the editors bring a lot of complaints from cooperative businesses. When it comes to the absence of a conversion program and nonsensical legislation, however, directors of defense giants choose to complain to their foreign friends-competitors instead of going to their own press. We are waiting for your complaints, dear "dinosaurs!" We are waiting for a market.

P.S. To conduct a more substantive conversation on cooperation in the area of civilian production (60 percent of the Soviet VPK), our managers will probably be able to meet with representatives of the Committee for U.S. Economic Development and the National Association of American Industrialists, which are already interested in the subject. The organizers of the current conference—Kiev-Reforma and Demokratizatsiya Ukrainy Funds—will render assistance in such meetings.

Resolution on State Enterprises

91UN19051 Kiev PRAVDA UKRAINY in Russian
12 Jun 91 p. 1

[Resolution of the Ukrainian SSR Supreme Soviet: "On the Transfer of State Enterprises and Organizations Under Union Jurisdiction Located in the Territory of the Republic to the Jurisdiction of the Ukrainian SSR"]

[Text] In accordance with the Declaration on State Sovereignty of the Ukraine and the Law on Economic Independence of the Ukrainian SSR, and with the aim of protecting the ownership rights and economic interests of the republic, of effectively utilizing and maintaining assets under conditions of the transition to market relations, the Supreme Soviet of the Ukrainian Soviet Socialist Republic **resolves:**

1. To establish that state enterprises and organizations under Union jurisdiction located in the territory of the republic are transferred to the jurisdiction of the Ukrainian SSR.

The Ukrainian SSR Cabinet of Ministers will ratify the Regulations on Procedure for Transfer of Enterprises and Organizations Under Union Jurisdiction Located in the Territory of the Republic to the Jurisdiction of the Ukrainian SSR.

2. Legislative acts and decisions of Union organs concerning the property of facilities indicated in Point 1 of this resolution, adopted without coordination with the highest organs of state power and government of the Ukrainian SSR, do not have legal force and are not subject to execution.

3. To bring this resolution to the attention of the USSR Supreme Soviet, the USSR president, and the USSR Cabinet of Ministers.

4. This resolution enters into force from the moment of its adoption.

[signed] L. Kravchuk, chairman of the Ukrainian SSR Supreme Soviet, Kiev, 6 June 1991

Resolution on Tax-Exempt Consumer Items

91UN19061 Kiev PRAVDA UKRAINY in Russian
12 Jun 91 p. 1

[Ukrainian SSR Cabinet of Ministers Decree No. 17 of 7 June 1991: "On Repealing the Sales Tax on Socially Significant Basic Consumer Goods and Services"—PRAVDA UKRAINY headline]

[Text] For the purpose of further enhancement of social protection of the population in connection with the retail price reform, the Ukrainian SSR Cabinet of Ministers **resolves:**

1. In addition to Resolutions No. 104 of the Ukrainian SSR Council of Ministers of 29 April 1991, and No. 5 of the Ukrainian SSR Cabinet of Ministers of 13 May 1991, and Directive No. 132 of the Ukrainian SSR Council of Ministers of 12 April 1991, to repeal the sales tax on socially significant basic consumer goods and services as per addendum.

2. The Ukrainian SSR Ministry of Trade, Ukrainian Cooperatives Union, Ukrainian SSR State Committee on Communications, and other Ukrainian SSR ministries and agencies that have a retail network and enterprises providing services to the population, are to urgently inform their subordinate organizations and the population of the list of goods and services which this resolution exempts from the sales tax.

Ukrainian SSR People's Minister L. P. Kravchuk

Secretary of State of the Ukrainian SSR Cabinet of Ministers I. P. Pukhachenko

Kiev

**Addendum to the Ukrainian SSR Cabinet of Ministers
Decree No. 17 of 7 June 1991**

**List of Basic Consumer Goods and Services Not Subject
to Sales Tax**

Food products

Grain cereals

Cooking fats, smelted pork fat and other eatable fats,
mayonnaise

Starch

Coffee, cocoa, and beverages made of the above and of
tea

Honey

Grapes, melons, citrus fruit, nuts

Processed vegetables, fruit, berries, grapes, and melons
(except vine), including canned goods, juices, fermented
products, pickled products, and dried fruit

Processed potato products

Fish and seafood

Culinary products, including semiprepared foods, with
the exception of goods sold at contract prices

Nonalcoholic beverages, mineral water, beer

Homemade public catering goods, including products
realized through retail network, with the exception of
goods sold to population at contract prices

Domestically produced light industry goods

Work clothes

Polymer (rubber) footwear

Felt footwear

Linen underclothes, bed and table linens

Hosiery

Knit gloves and mittens

Household and leisure goods

Toothpaste, tooth powder, vaseline

Christmas tree ornaments

Matches

Plastic bags and tote bags

Sources of electrical current and light bulbs

Toilet paper and paper napkins

Medicines and medical supplies

Kerosene, stoker fuel and firewood, coal, peat; coal, peat,
and other fuel briquettes sold to population

Day care services

Consumer services: mail, telegraph, fax, communica-
tions, telephone apparatus repair; stamps and stamp
products sold for cash, including philatelist products;
money transfer handling on behalf of enterprises, ali-
mony payments, regular pay, honorariums, and other
monetary payments to population

Kiev Tax Inspection Chief Interviewed

91UN1910A Kiev FOMSOMOLSKOYE ZNAMYA
in Russian 12 Jun 91 pp 1-2

[Interview with Kiev Tax Inspectorate chief Grigoriy
Operenko by I. Karpenko: "We Do Not Like It"]

[Text] The Ukrainian Tax Inspectorate has existed as an
independent structure for not more than a year. During
this period, however, it has been subject to the largest
number of gripes and complaints of all the state organs.
Both fair and unfair.

There is no question that the professional level of financial
inspectors in many cases leaves a lot to be desired. The
same can be said, however, about both our government and
businessmen. Therefore, keeping in mind an ancient prin-
ciple that one should listen to the other party as well, this
time we decided to hear from those who work in this
financial sphere. Kiev Tax Inspectorate Chief Grigoriy
Operenko answers our questions.

[Karpenko] It is known that ignorance of the law does
not relieve one of the responsibility; however, instruc-
tions on taxation are now "baked" on an almost daily
basis. Is it possible for the tax inspector, let alone for
businessmen, to study and memorize them all?

[Operenko] This issue is not limited to tax regulations.
The dynamics of today's life is quickly changing all legal
structures, and in such a situation it is, alas, impossible
to avoid mistakes. Nevertheless, if we are striving to
have a law-based state in deed rather than in words, the
law should be complied with by everybody without
exception, regardless of how one feels about it. To do
this, one needs as a minimum to know the law. This is
one of the major problems today. We need, if you wish,
to engage in the liquidation of legal illiteracy on a
nationwide scale. Therefore, those businessmen who
start their business activities from studying the legisla-
tion do the right thing.

The tax inspectorate tries to do what it can to help.
Although teaching people to run a business is not our
immediate duty, our specialists constantly are involved
in explaining the current tax legislation and its current
changes. We talk about it in more detail at city and rayon
seminars for chief accountants. I must say, however, that
some contradictions are not easy to explain.

[Karpenko] Despite such help, as a rule, the tax inspectorate is not particularly liked. There is a perception that its main task is to extract the money and to strangle initiative.

[Operenko] We should remember that the tax inspectorate is simply a tool in the hands of the state; therefore, the gripes should not be directed only at us. Our main task is to provide monetary resources for state programs. Also, the tax mechanism is built in such a way as to serve as a regulator of social justice. If you look at the system of preferences, you will see clear proof of it.

For instance, cooperatives had a symbolic income tax rate established for them: in the beginning of the first year after their creation, two to three percent; for the second year, three to five percent; and from there on, 10 percent, after subtracting certain deductible expenses, for all subsequent years. After the USSK law "On Cooperation in the USSR" went into effect, tax rates were differentiated depending on social significance of goods and services to the population. For instance, for cooperatives engaged in the care of children, the elderly, the disabled, and medical patients, the tax rate is set at three percent; for those that make goods specially designed for the disabled and the elderly it is five percent. At the same time, the tax rate for middleman and trade procurement cooperatives is 60 percent, and for video salons it is 70 percent.

[Karpenko] What is the explanation for the attempt on the part of the Ukrainian Ministry of Finance and its tax inspectorate to return to taxing cooperatives on income rather than on profit?

[Operenko] This was a forced measure, since until we have a republic law on taxation—the passage of which has been unjustifiably delayed—the taxation of cooperatives turned out to be suspended in a vacuum. This affects negatively both cooperatives and the tax inspectorate.

As far as I know, this issue is close to being resolved now, and then cooperatives will be taxed on profit. I think they will be satisfied with it.

[Karpenko] Are tax rates for commercial structures in Russia and in the Ukraine comparable? Where are they higher?

[Operenko] It is hard to tell with certainty until the republic law on taxation is passed. To the best of my knowledge, the Russian Federation adopted the same rates as the Ukraine for socially significant cooperatives—three percent—and for trade cooperatives—60 percent. As for cooperatives engaged in manufacturing of goods, the tax rates in effect in Russia were 30, 35, and 45 percent (for certain types of goods), while in Ukraine they were 10, 25, 35, and 50 (for public catering). In the consumer services area, the rate in Russia is 15 percent, and in the Ukraine it is 25 percent for those who work at state prices and 35 percent for all others.

As you can see, there is not much of a discrepancy.

[Karpenko] The idea of creating free economic zones on the territories that suffered from the Chernobyl catastrophe is rather popular now. What do you think about it?

[Operenko] We have perhaps too many artificial devices not only in regard to the emergence of economic zones but to a market itself. Did we not already have a lot of directives aimed at changing the economy? But what was the result? The same can happen with free economic zones. If people had to be relocated from there, why try to lure them back through business preferences? It would appear that first the territory needs to be cleaned up; then those who have been relocated need to be returned there—if, of course, they wish to.

[Karpenko] What use did the Kiev Soviet make of its right to reduce taxes on enterprises in local jurisdiction?

[Operenko] The Ukrainian SSR law on local self-governance gave this right to local soviets of people's deputies effective 20 December 1990. Not much time has elapsed. Because of the current city budget deficit that amounts, for the current year, to 382 million rubles [R], so far it is hard to make use of this right. There is, however, a proposal under consideration at the city executive committee to reduce to 50 percent the tax on profit for manufacturing individual dosimetry devices.

As to cooperatives, rayon soviets executive committees received the right to grant preferences to them as soon as the USSR law "On Cooperation in the USSR" became effective, and they apply this right in full force, although not always on good grounds. Last year, rayon soviet executive committees granted tax preferences to 212 collectives (6.1 percent of the work force) for the amount of R21.4 million. In 1989, 152 cooperatives (5.2 percent) made use of these preferences for the total of R2.5 million. In one year, the share of cooperatives using preferential treatment jumped from 7.7 to 26.1 percent.

[Karpenko] What is your opinion of the Ukrainian SSR draft law on taxation; what are its shortcomings?

[Operenko] To talk about a law, and especially about its shortcomings, it is not enough to have a draft. It would be good, however, to have a law that is easy to apply, and which would stipulate the same taxation procedure for all forms of property. The system of preferences designed to stimulate one or another type of activity should be set exclusively through legislation.

[Karpenko] What is the justification for making cooperatives make payments into the stabilization funds from which they do not receive a penny?

[Operenko] Out of the stabilization fund's five sources of revenue, cooperatives participate in only one—an 11-percent amortization deduction, which is then counted as their expense. That is, in the final count the total

amount of income taxes that goes into the budget of the rayon executive committee where the cooperative is registered, is reduced.

Since we still have an immense deficit in the republic budget, all funds generated by the 11-percent deduction go into the republic stabilization fund.

[Karpenko] Why is it that cooperatives still have not had their rate of tax on profit reduced by 10 percent—as the state sector had—in order to pay compensation to their employees?

[Operenko] This issue is not in our jurisdiction. I think, however, that it boils down again to the absence of the law on taxation. For fairness sake, however, I would like to point out that in the state sector the tax was reduced by 10 percent only for those enterprises that had it set earlier at 45 percent. In the majority of cooperatives, tax rates were lower—25 to 35 percent, and if we take into account the preferences, actually 10 to 15 percent. For your information, the average marginal tax rate for cooperatives in relation to taxable income was 1.4 percent in 1988, 4.2 percent in 1989, and 11.2 percent in 1990.

Metallurgists' Demands Being Met

91UN1876A Kiev PRAVDA UKRAINY in Russian
13 Jun 91 p 1

[Report by Ukrainian SSR Prime Minister's Press Service: "We Are Putting the Agreement into Effect"]

[Text] The Ukrainian SSR Cabinet of Ministers has examined the progress of work on the resolution of questions raised by the metallurgists of the republic during the meeting of representatives of labor collectives of the industry with the leadership of the Ukrainian government in March of this year in Dnepropetrovsk.

The results that were achieved in the past two months are related by V.D. Gladush, state minister for industry and transport.

"I recall that the meeting in Dnepropetrovsk was held at a time that was extremely difficult for the workers of the metallurgical complex. Numerous internal problems of the industry were complicated by the miners' strikes and shortages in material-technical supplies. The arrival of Ukrainian SSR Prime Minister V.P. Fokin in the Dnepropetrovsk area in those days contributed to the stabilization of the situation. The chairman of the government instructed the ministries and departments to examine and find possible solutions to a whole series of questions.

"It can be said that a certain part of the demands of the metallurgists has already been satisfied. A decision was adopted on the establishment of a Ukrainian SSR Committee on the Metallurgical Industry. A draft decree has been submitted to the USSR Cabinet of Ministers on the

transfer of enterprises of the industry that are situated on Ukrainian soil to the jurisdiction of the government of the republic.

"The possibility of bettering the wages of metallurgists in the very near future is being looked into. The Union ministry was granted the right to increase the basic size of the system devoted to consumption. On the whole in the industry, its increase will amount to 50 percent, and in individual enterprises (depending on the specific tasks that are being resolved), it can even be more. To cover the additional expenditures the enterprises have been allowed, starting 1 June of this year, to apply contract prices to 30 percent of the products now being sold at fixed prices.

"In addition a study has been started on a wage rate agreement which provides for higher wage rates and official salaries, and bonuses to workers for length of service and outstanding performance. Incentives will be introduced for increasing professional skills and compensation for the metallurgists' difficult and harmful work conditions.

"I can report that there has been a positive decision on granting workers engaged in underground work to mine ore the same privileges that mine workers in coal mines have. And one more piece of news: The government of the republic is allocating resources from the stabilization fund for support of the capacities of working mines of the Krivbass [Krivoy Rog basin].

"Taking into consideration the fact that in March-April the metallurgists did not fulfill tasks through no fault of their own, they were paid wages in the planned amounts.

"Furniture, bed linen, and tableware have been allotted to workers at dining halls, Pioneer camps, and children's preschool establishments. Norms for duty trip expenditures have been revised. The draft law submitted by the government to the Ukrainian Supreme Soviet on questions of taxation of enterprises, associations, and organizations proposes to exempt from taxation that part of their profit which is expended on the maintenance of facilities for health services, education and training, culture and sport, and also for the departmental housing fund.

"A number of the metallurgists' other demands have been satisfied, and other questions are under review in ministries and departments of the republic. I think that in July, when we will report to the leadership of the government on the progress of fulfilling the protocol signed in Dnepropetrovsk, a certain part of them will also be positively resolved."

Passenger Rail Service Reduced

91UN1876B Kiev PRAVDA UKRAINY in Russian
13 Jun 91 p 1

[Interview with V.S. Romaniy, chief of passenger service on the Southwestern Railroad, by L. Arkhangelskaya:

"Coach for Paris Now Runs Daily, but on Days Off Summer Residents, as Previously, 'Cram' the Suburban Electric Train. Why?"]

[Text] The summer train schedule for the Southwestern Railroad went into effect on the night of 1 and 2 June.

How will "Summer-91" make the passenger happy? This is the question that we asked V.S. Romaniy, chief of the passenger service.

[Romaniy] Perhaps we should not be talking about happiness today. The economic crisis that has enveloped the country has not bypassed railroad workers either. The shortage of coaches and spare parts for them, bed linen, and other items for "equipping" trains has complicated the situation in the extreme.

Judge for yourself: today, we are short 250 coaches. Several hundred have been in operation for more than 28 years and are subject to being written off. In addition, in connection with the critical economic problems in plants of the Ministry of Railways, the question of the repair of rolling stock has also become difficult. Toward the end of May the remainder of our coaches at repair plants was double the number planned.

[Arkhangelskaya] And there are no hopes of replacements?

[Romaniy] The 105 coaches that are supposed to replenish our park this year will not solve the problem. We have already received 45 of them, and we used them for the Kiev-Legnica train, whose condition was already threatening traffic safety.

[Arkhangelskaya] Vitaliy Sergeyevich, apparently you did not accidentally start the interview on such an untraditional key. I have to assume that changes in the schedule are associated not only with regard to passenger flow but also with this problem?

[Romaniy] Absolutely true. Given the critical shortage of rolling stock, only an extremely rational use of the rolling stock will help untie this "Gordian knot." It is with these considerations that a decision was made: the daily train No. 31 Kiev-Baku will run every second day. The route of train No. 198 Kiev-Chelyabinsk this summer will not be extended to Karaganda and Pavlodar, thereby saving on two trains. And the Kiev-Tbilisi (No. 208) will be removed entirely.

[Arkhangelskaya] Well, who wins in this?

[Romaniy] The winners, for example, are the passengers on the Kamenets-Podolskiy-Shepetovka-Novograd-Volynskiy route in connection with the introduction of the new Kamenets-Podolskiy-Korosten train; it consists of six coaches that join the train in Korosten, which runs on to Moscow. The new Chernigov-Kharkov train running through Nezhin, Konotop, and Vorozhba will unload the passenger flow of Chernigov and Konotop. In international service, a Kiev-Munich through coach has been put into operation, and the Kiev-Paris coach, which previously ran once a week in the summer, is on a daily schedule this season.

[Arkhangelskaya] Incidentally, about the international service. Not long ago, as is well-known, the sale of tickets for a trip beyond the border went through "Intourist" to the railroad department. What are the conditions of the reorganization?

[Romaniy] Our main aim is to improve the record of use of seats on the trains. In addition, the income will not hurt us.

[Arkhangelskaya] In hard currency?

[Romaniy] No, in rubles. We were the first to undertake this on the rail network. We are "earning" experience ourselves, and we are improving technology as we go along, but there is still a lot of disorder.

[Arkhangelskaya] But what will the passenger gain from this in the future?

[Romaniy] It is too early to talk about the future. But starting on 1 June the receipt of orders, with delivery to the home in 20-45 days before departure, has been organized.

[Arkhangelskaya] Indeed, today I do not envy those who like foreign travel, but here, as the saying goes, the aim justifies the resources. But what do the owners of summer cottages, who suffocate in overcrowded electric trains on their days off, long for? Does the schedule take into account their desperate requests for additional trips?

[Romaniy] The lowered intensity of cargo flow made it possible to smooth out this problem, although several additional electric trains will not solve it. For the summer cottage traffic we are putting our hopes on the use of passenger trains that have arrived from other railroads and that are idle.

END OF

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